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|---|--|
| Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address<br><br>Leonard M. Shulman - Bar No. 126349<br>Melissa Davis Lowe – Bar No. 245521<br>SHULMAN HODGES & BASTIAN LLP<br>100 Spectrum Center Drive, Suite 600<br>Irvine, California 92618<br>Telephone: (949) 340-3400<br>Facsimile: (949) 340-3000<br>Email: LShulman@shbllp.com<br>MLowe@shbllp.com<br><br><br><input type="checkbox"/> Individual appearing without attorney<br><input checked="" type="checkbox"/> Attorney for: Karl T. Anderson, Chapter 7 Trustee | FOR COURT USE ONLY   |
| <b>UNITED STATES BANKRUPTCY COURT<br/>CENTRAL DISTRICT OF CALIFORNIA - RIVERSIDE DIVISION</b>   |  |
| In re:<br><br>DOUGLAS CRAIG WOODARD,<br><br><br><br><br><br><br><div style="text-align: right;">Debtor(s).</div>  | CASE NO.: 6:17-bk-17512-MW<br>CHAPTER: 7<br><br><br><div style="text-align: center; padding: 20px;"> <b>NOTICE OF SALE OF ESTATE PROPERTY</b> </div> |

|   |                        |
|---|------------------------|
| <b>Sale Date:</b> 12/18/2018  | <b>Time:</b> 2:00 p.m. |
| <b>Location:</b> Video Courtroom 225, U.S. Bankruptcy Court, 3420 Twelfth Street, Riverside, CA 92501 |                        |

**Type of Sale:**    ☒ Public    ☐ Private                      **Last date to file objections:** 12/4/2018

**Description of property to be sold:** Real property located at 225 Birchwood Drive, Lake Arrowhead, CA 92352 and  
Furnishings located at the property claimed exempt by the Debtor

**Terms and conditions of sale:** See attached Statement of Information in Compliance with LBR 6004-1(c)(3).

**Proposed sale price:** \$905,000.00 subject to overbid

This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

**Overbid procedure (if any):** Initial overbid of \$910,000.00, minimum bid increments thereafter shall be \$1,000.00. Overbids must be in writing and received by the Trustee and her counsel on or before 12/14/2018 at 5:00 p.m. Certified funds of at 3% of the overbid purchase price must be delivered. (See attached for further instructions.)

**If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:**

12/18/2018 at 2:00 p.m. California time

United States Bankruptcy Court

Video Courtroom 225

3420 Twelfth Street

Riverside, CA 92501

**Contact person for potential bidders (include name, address, telephone, fax and/or email address):**

Melissa Davis Lowe, Esq.

Shulman Hodges & Bastian LLP

100 Spectrum Center Drive Suite 600

Irvine, CA 92618

Telephone: (949) 340-3400

Facsimile: (949) 340-3000

Email: MLowe@shbllp.com

Date: 11/27/2018

**Attachments:**

- (1) Notice of Motion (includes Statement of Information and the Sale Motion)**
- (2) Proof of Service**

|   |  |
|---|--|
| <p>Attorney or Party Name, Address, Telephone &amp; FAX Nos., State Bar No. &amp; Email Address</p> <p>Leonard M. Shulman - Bar No. 126349<br/>Melissa Davis Lowe – Bar No. 245521<br/>SHULMAN HODGES &amp; BASTIAN LLP<br/>100 Spectrum Center Drive, Suite 600<br/>Irvine, California 92618<br/>Telephone: (949) 340-3400<br/>Facsimile: (949) 340-3000<br/>Email: LShulman@shblp.com<br/>MLowe@shblp.com</p> <p><input type="checkbox"/> Individual appearing without attorney<br/><input checked="" type="checkbox"/> Attorney for: Karl T. Anderson, Chapter 7 Trustee</p> | <p>FOR COURT USE ONLY</p>  |
| <p align="center"><b>UNITED STATES BANKRUPTCY COURT<br/>CENTRAL DISTRICT OF CALIFORNIA - RIVERSIDE DIVISION</b></p>   |  |
| <p>In re:</p> <p>DOUGLAS CRAIG WOODARD,</p> <p align="right">Debtor(s).</p>   | <p>CASE NO.: 6:17-bk-17512-MW<br/>CHAPTER: 7</p> <p><b>NOTICE OF MOTION FOR:</b></p> <p>Chapter 7 Trustee's Motion for Order: (1) Approving the Sale of Real Property and Personal Property of the Estate Free and Clear of Certain Liens Pursuant to Bankruptcy Code §§ 363(b)(1) and 363(f), Subject to Overbids, Combined With Notice of Bidding Procedures, et al.</p> <p><b>(Specify name of Motion)</b></p> <p>DATE: 12/18/2018<br/>TIME: 2:00 pm<br/>COURTROOM: Video Hearing Room 225<br/>PLACE: U.S. Bankruptcy Court<br/>3420 Twelfth Street<br/>Riverside, CA 92501</p> |

1. TO (*specify name*): Debtor, United States Trustee, all creditors and other parties in interest and their counsel
2. NOTICE IS HEREBY GIVEN that on the following date and time and in the indicated courtroom, Movant in the above-captioned matter will move this court for an Order granting the relief sought as set forth in the Motion and accompanying supporting documents served and filed herewith. Said Motion is based upon the grounds set forth in the attached Motion and accompanying documents.
3. **Your rights may be affected.** You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)



4. **Deadline for Opposition Papers:** This Motion is being heard on regular notice pursuant to LBR 9013-1. If you wish to oppose this Motion, you must file a written response with the court and serve a copy of it upon the Movant or Movant's attorney at the address set forth above no less than fourteen (14) days prior to the above hearing date. If you fail to file a written response to this Motion within such time period, the court may treat such failure as a waiver of your right to oppose the Motion and may grant the requested relief.
5. **Hearing Date Obtained Pursuant to Judge's Self-Calendaring Procedure:** The undersigned hereby verifies that the above hearing date and time were available for this type of Motion according to the judge's self-calendaring procedures.

Date: 11/27/2018

SHULMAN HODGES & BASTIAN LLP  
Printed name of law firm

/s/ Melissa Davis Lowe  
Signature

Melissa Davis Lowe  
Printed name of attorney

**Attachments:**

- (1) Statement of Information**
- (2) Sale Motion**
- (3) Proof of Service**

**Statement of Information in Compliance with LBR 6004-1(c)(3)**

| <b><u>LBR 6004-1(c)(3) Requirement</u></b>   | <b><u>Information</u></b>   |
|--|---|
| <i>LBR 6004-1(c)(3)(A)</i><br>Date, Time, and Place of hearing on the proposed sale:   | Hearing Date and Time: 12/18/2018 at 2:00 p.m.<br>Hearing Place: U.S. Bankruptcy Court, Video Courtroom 225<br>3420 Twelfth Street, Riverside, CA 92501   |
| <i>LBR 6004-1(c)(3)(B)</i><br>Name and address of the proposed buyer:  | Robert Dickinson and Michael Marler<br>460 W Canyon Place<br>Palm Springs, CA 92262   |
| <i>LBR 6004-1(c)(3)(C)</i><br>Description of the property to be sold:  | 225 Birchwood Drive, Lake Arrowhead, California 92352 ("Property")  |
| <i>LBR 6004-1(c)(3)(D)</i><br>Terms and conditions of the proposed sale, including the price and all contingencies:  | The Buyer has offered \$905,000.00, subject overbid which includes the Property and the Purchased Furnishings identified in the attached Sale Motion. <sup>1</sup> On his Schedule C, the Debtor claimed an exemption against his "household goods" <sup>2</sup> of "100% of the fair market value, up to any applicable statutory limit" (i.e., \$16,000.00) pursuant to California Code of Civil Procedure § 704.020. Based on the offer, the Trustee has advised the Debtor that from the proceeds of the sale, in addition to his Homestead Exemption of \$175,000.00, the Debtor will be paid \$10,000.00 for his exemption claim in the Purchased Furnishings. The Buyer is paying all cash and is purchasing the Property "AS IS" without warranties of any kind, expressed or implied, being given by the Trustee, concerning the condition of the Property or the quality of the title thereto, or any other matters relating to the Property.   |
| <i>LBR 6004-1(c)(3)(E)</i><br>Whether the proposed sale is free and clear of liens, claims or interests, or subject to them, and a description of all such liens, claims or interests: | <p>Attached as <b>Exhibit 3</b> to the Declaration of Karl Anderson annexed to the attached Sale Motion is a true and copy of a Preliminary Title Report on the Property which details the liens encumbering the Property.</p> <p>The sale of the Property shall be free and clear of liens pursuant to Bankruptcy Code §§ 363(b) and 363(f), with any liens and interests against the Property that are not released, paid in full, or otherwise resolved through escrow, to attach to the sale proceeds with the same force, effect, validity, and priority as such liens or interests had with respect to the Property prior to the sale, pending agreement with the lienholder or further Court order.</p> <p>The Lender Agent /Housing Department will be paid through escrow on the sale transaction in an amount as agreed to by current beneficiaries of the First DOT and related lien filed by the Housing Department. Thus, these liens will be released, discharged and terminated at the close of escrow and such liens will not attach to the sale proceeds.</p> <p>The liens of the Water Agency and the Public Works will also be paid as agreed to by the public agencies, and their liens will be released, discharged and terminated at the close of escrow and such liens will not attach to the sale proceeds.</p> |

<sup>1</sup> Attached here is the *Chapter 7 Trustee's Motion for Order: (1) Approving the Sale of Real Property and Personal Property of the Estate Pursuant to Bankruptcy Code §§ 363(b)(1) and 363(b)(f) Subject to Overbids, Combined With Notice of Bidding Procedures and Request for Approval of the Bidding Procedures Utilized; (2) Approving Payment of Real Estate Commission and Other Costs; and (3) Granting Related Relief; and Declaration of Karl T. Anderson* ("Sale Motion").

<sup>2</sup> The "household goods" included clothing valued at \$1,000.00 and furnishings valued at \$15,000.00.

| <b><u>LBR 6004-1(c)(3) Requirement</u></b>   | <b><u>Information</u></b>   |                  |                       |   |                       |                                 |                    |                  |                     |
|--|---|------------------|-----------------------|---|-----------------------|---------------------------------|--------------------|------------------|---------------------|
| <i>LBR 6004-1(c)(3)(F)</i><br>Whether the proposed sale is subject to higher and better bids:  | The sale of the Property is subject to the Bidding Procedures set forth in the Sale Motion at pages 8 through 9.  |                  |                       |   |                       |                                 |                    |                  |                     |
| <i>LBR 6004-1(c)(3)(G)</i><br>Consideration to be received by the Estate, including estimated commissions, fees and other costs of sale:   | <p>Purchase price of \$905,000.00 or an amount as increased by successful overbid.</p> <p>All costs of sale, including escrow fees and real estate commissions will be paid at closing and are estimated to total approximately \$38,640.00 (6% real estate commission plus 2% of the purchase price). The Trustee has requested and the Broker has agreed to a 1% carve-out from the commission for the benefit of the Estate as follows:</p> <table border="1"> <tr> <td>Trustee's Broker</td><td>2.5% (or \$22,625.00)</td></tr> <tr> <td>Selling Broker, Mountain Country Realty, Inc.</td><td>2.5% (or \$22,625.00)</td></tr> <tr> <td>Trustee on behalf of the Estate</td><td>1% (or \$9,050.00)</td></tr> <tr> <td>Total Commission</td><td>6% (or \$54,300.00)</td></tr> </table> <p>The Estate and the Buyer will each pay their own escrow fees as is customary in the County where the Property is located.</p> <p>Through the sale, after payment of the costs of sale and non-disputed liens, the Trustee estimates to generate net proceeds of approximately \$80,200.00 (see the Sale Motion for more detail as to how this estimate has been calculated).</p> | Trustee's Broker | 2.5% (or \$22,625.00) | Selling Broker, Mountain Country Realty, Inc. | 2.5% (or \$22,625.00) | Trustee on behalf of the Estate | 1% (or \$9,050.00) | Total Commission | 6% (or \$54,300.00) |
| Trustee's Broker   | 2.5% (or \$22,625.00)   |                  |                       |   |                       |                                 |                    |                  |                     |
| Selling Broker, Mountain Country Realty, Inc.  | 2.5% (or \$22,625.00)   |                  |                       |   |                       |                                 |                    |                  |                     |
| Trustee on behalf of the Estate  | 1% (or \$9,050.00)  |                  |                       |   |                       |                                 |                    |                  |                     |
| Total Commission   | 6% (or \$54,300.00)   |                  |                       |   |                       |                                 |                    |                  |                     |
| <i>LBR 6004-1(c)(3)(H)</i><br>If authorization is sought to pay commission, the identity of the auctioneer, broker, or sales agent and the amount or percentage of the proposed commission to be paid: | On February 23, 2018 the Trustee filed an application to employ Richard A. Halderman, Jr. to assist in marketing the Property for sale, which application was approved by Court order entered on April 9, 2018 (docket 64). The Trustee is filing a second application to associate Barnett Real Estate as the co-broker with Richard A. Halderman (collectively the "Broker"). Under the listing agreement, the Broker is entitled to a commission on the sale in an amount not to exceed 6% of the purchase price to be split between the Trustee's Broker and Selling Broker. (The Buyer's Selling Broker is Mountain Country Realty, Inc). The Trustee has requested and the Broker has agreed to a 1% carve-out from the commission for the benefit of the Estate as set forth above.  |                  |                       |   |                       |                                 |                    |                  |                     |
| <i>LBR 6004-1(c)(3)(I)</i><br>A description of the estimated or possible tax consequences to the Estate, if known, and how any tax liability generated by the sale of the property will be paid:       | The Trustee believes there will be no tax liability from the sale because he is informed by the Debtor that the Property was the Debtor's primary residence, having resided there two of the last five years. Based on this, the Estate may be entitled to capital gains exclusions on the sale.  |                  |                       |   |                       |                                 |                    |                  |                     |
| <i>LBR 6004-1(c)(3)(J)</i><br>Date which objection must be filed and served:   | Objections, if any, must be filed and served 14 days prior to the Hearing Date (or by <b>12/4/2018</b> ).   |                  |                       |   |                       |                                 |                    |                  |                     |

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Attorneys for Karl T. Anderson,  
Chapter 7 Trustee

**UNITED STATES BANKRUPTCY COURT**  
**CENTRAL DISTRICT OF CALIFORNIA, RIVERSIDE DIVISION**

**In re**

**DOUGLAS CRAIG WOODARD,**

Debtor.

Case No. 6:17-bk-17512-MW

Chapter 7

**CHAPTER 7 TRUSTEE'S MOTION FOR ORDER:**

**(1) APPROVING THE SALE OF REAL PROPERTY AND PERSONAL PROPERTY OF THE ESTATE FREE AND CLEAR OF LIENS PURSUANT TO BANKRUPTCY CODE §§ 363(b)(1) and (f), SUBJECT TO OVERBIDS, COMBINED WITH NOTICE OF BIDDING PROCEDURES AND REQUEST FOR APPROVAL OF THE BIDDING PROCEDURES UTILIZED;**

**(2) APPROVING PAYMENT OF REAL ESTATE COMMISSION AND OTHER COSTS; AND**

**(3) GRANTING RELATED RELIEF;**

**MEMORANDUM OF POINTS AND AUTHORITIES AND DECLARATION OF KARL T. ANDERSON IN SUPPORT**

**[Real Property and Furnishings located at:  
225 Birchwood Drive  
Lake Arrowhead, CA 92352]**

**Hearing Date:**

Date: December 18, 2018

Time: 2:00 p.m.

Place: Video Courtroom 225  
United States Bankruptcy Court  
3420 Twelfth Street  
Riverside, CA 92501

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**TO THE HONORABLE MARK S. WALLACE, UNITED STATES BANKRUPTCY  
JUDGE, THE DEBTOR, THE OFFICE OF THE UNITED STATES TRUSTEE, AND  
OTHER PARTIES-IN-INTEREST:**

Karl T. Anderson, solely in his capacity as the Chapter 7 Trustee (“Trustee”) for the bankruptcy estate (“Estate”) of Douglas Craig Woodard (“Debtor”), brings this Motion for Order: (1) Approving the Sale of Real Property and Personal Property of the Estate Free and Clear of Certain Liens Pursuant to Bankruptcy Code §§ 363(b)(1) and (f), Subject to Overbids, Combined With Notice of Bidding Procedures and Request for Approval of the Bidding Procedures Utilized; (2) Approving Payment of Real Estate Commission and Other Costs; and (3) Granting Related Relief (“Sale Motion”), and respectfully represents as follows:

**I. SUMMARY OF ARGUMENT**

The Trustee has received an offer from Robert Dickinson and Michael Marler, or their assignee<sup>1</sup> (collectively “Buyer”) to purchase the real property located at 225 Birchwood Drive, Lake Arrowhead, California 92352 (“Property”) and the Purchased Furnishings (defined below) for \$905,000.00, subject to overbids. On his Schedule C, the Debtor claimed a homestead exemption in the Property of \$175,000.00 (“Homestead Exemption”) as well as an exemption against his “household goods”<sup>2</sup> of “100% of the fair market value, up to any applicable statutory limit” (i.e., \$16,000.00) pursuant to California Code of Civil Procedure § 704.020. Based on the offer, the Trustee has advised the Debtor that from the proceeds of the sale, in addition to his Homestead Exemption of \$175,000.00, the Debtor will be paid \$10,000.00 for his exemption claim in the Purchased Furnishings. Through the sale, the Trustee expects to generate net proceeds of approximately \$80,000.00. In the event the purchase price is increased by a successful overbid, the estimated net proceeds will increase. If the sale is approved, the Estate will receive additional funds (to those already on hand) to provide for a meaningful distribution to unsecured creditors.

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<sup>1</sup> Any assignee is subject to approval by the Trustee.

<sup>2</sup> The “household goods” included clothing valued at \$1,000.00 and furnishings valued at \$15,000.00.



1 Accordingly, the Trustee believes that good cause exists to grant the Sale Motion, so the  
2 Trustee does not lose this favorable business opportunity.

3 **II. BACKGROUND**

4 **A. The Bankruptcy Case**

5 The Debtor filed a chapter 7 bankruptcy petition on September 7, 2017 (“Petition Date”),  
6 in the United States Bankruptcy Court, Central District of California, Case No. 6:17-bk-17512-  
7 MW.

8 The last day to timely file proof of claims in this case was February 12, 2018. Government  
9 claims were due by March 6, 2018. The Court’s Claims Register indicates that there have been  
10 three general unsecured claims filed totaling \$164,064.81.

11 **B. The Property**

12 On his Schedules A/B, C and D (docket 8), the Debtor (i) listed his interest in the Property  
13 and valued it at \$650,000.00, (ii) claimed an exemption against the Property in the amount of  
14 “100% of the fair market value, up to any applicable statutory limit” (i.e., \$175,000.00) pursuant  
15 to California Code of Civil Procedure § 704.730, and (iii) listed one lien in favor of CeLink in the  
16 amount of \$530,000.00 (“First DOT”). Attached as **Exhibit 1** to the Declaration of Karl T.  
17 Anderson (“Anderson Declaration”) are true and correct copies of the Debtor’s Schedules A/B, C  
18 and D.

19 On November 20, 2017, the Trustee filed a Motion for OSC re Contempt for, *inter alia*, the  
20 Debtor’s failure to allow access to the Property. On November 29, 2017, the Court granted the  
21 Motion for OSC re Contempt. Pursuant to an Order Holding Debtor in Contempt and Judgment  
22 for Sanctions Against the Debtor entered on January 10, 2018 (“Contempt Order”), the Court  
23 required the Debtor to vacate the Property within thirty days of entry of the Contempt Order. A  
24 true and correct copy of the Contempt Order is attached to the Anderson Declaration as **Exhibit 2**.  
25 Despite the Contempt Order, the Debtor granted the Trustee and his brokers access to the Property  
26 and the Trustee has since agreed that the Debtor could remain in possession of the Property until  
27 the Property was to be sold.

1 **C. Treatment of Liens and Encumbrances Through the Sale**

2 Finance of America Reverse LLC (“Lender Agent”) is the current loan servicing agent for  
3 the beneficiary of the First DOT. On October 18, 2017, the Lender Agent filed a Motion for  
4 Relief From Stay seeking to enforce its remedies to foreclose upon the Property. The hearing on  
5 the Stay Motion is currently scheduled for December 18, 2018. In its Stay Motion, the Lender  
6 Agent asserted the amount owed on the First DOT was \$532,777.20 as of September 27, 2017.  
7 The Lender Agent advised the Trustee that the current amount owed on the First DOT is  
8 \$573,116.

9 Attached as **Exhibit 3** to the Anderson Declaration is true and copy of the Preliminary  
10 Title Report on the Property as of October 6, 2017 (“Title Report”). The Title Report identifies  
11 the liens and encumbrances against the Property. The Title Report lists the following additional  
12 liens not listed on the Debtor’s Schedule D:

- 13 • Deed of Trust in favor of the Secretary of the U.S. Department of Housing and  
14 Urban Development (“Housing Department”) in the original amount of  
\$938,250.00. This lien appears to be a duplicate of the First DOT.
- 15 • Lien in favor of Lake Arrowhead Community Services District (“Water Agency”) in  
16 the amount of \$547.75. This lien is for delinquent water bills, penalty and  
interest.
- 17 • Lien in favor of Solid Waste Management Division, Department of Public Works,  
18 County of San Bernardino (“Public Works”) in the amount of \$394.04. This lien is  
for delinquent solid waste collection charges.

19 All costs of sale, including escrow fees and real estate commissions, and all outstanding  
20 real property taxes will be paid at closing.

21 The Lender Agent/Housing Department will be paid through escrow on the sale transaction  
22 in an amount as agreed to by current beneficiaries of the First DOT and related lien filed by the  
23 Housing Department. Thus, these liens will be released, discharged and terminated at the close of  
24 escrow and such liens will **not** attach to the sale proceeds.

25 The liens of the Water Agency and the Public Works will also be paid as agreed to by the  
26 public agencies, and their liens will be released, discharged and terminated at the close of escrow  
27 and such liens will **not** attach to the sale proceeds.

1 **D. Broker Employment, Marketing Efforts and Basis for Value of the Property**

2 On February 23, 2018 the Trustee filed an application to employ Richard A. Halderman,  
3 Jr. to assist in marketing the Property for sale, which application was approved by Court order  
4 entered on April 9, 2018 (docket 64). The Trustee is filing a second application to associate  
5 Barnett Real Estate as the co-broker with Richard A. Halderman (collectively the “Broker”). The  
6 Property has been on the market for over nine months.

7 The Estate does not have sufficient funds to obtain a formal written appraisal for the  
8 estimated value of the Property. The Broker is experienced in the sale of real property as well as  
9 property valuations and is familiar with valuing real property in today’s economic environment.  
10 The Broker viewed the Property and believed originally that it had a fair market value that  
11 supported a list price of \$1,300,000. The listing price was determined on comparable sales of  
12 similar properties in the area and the condition of the Property. However, following months with  
13 no offers and problems with the Debtor maintaining the Property in a broom clean condition, the  
14 listing was reduced to \$975,000.00.

15 The Broker showed the Property to multiple parties but the Buyer’s offer is the first offer  
16 that has been received. The Trustee believes that the current proposed sale, subject to overbids,  
17 will be at fair market value. Given that the sale is subject to overbids, it is anticipated the Trustee  
18 will receive the best and highest value for the Property and the proposed sale price is fair and  
19 reasonable.

20 **E. Terms of Sale**

21 Attached as **Exhibit 4** to the Anderson Declaration is a true and correct copy of the  
22 Residential Purchase Agreement and Joint Escrow Instructions and related addendum (collectively  
23 the “Agreement”). The Buyer’s offer is the result of negotiations between the Trustee and the  
24 Buyer for the highest and best offer.

25 The Buyer has offered to purchase the Property and the Debtor’s furnishings located at the  
26 Property (“Purchased Furnishings”) for \$905,000.00, subject to overbids. The Purchased  
27 Furnishings include (i) all furnishings inclusive of all bed frames, mattresses and box springs, (ii)  
28 lower level games (pool table, shuffle board table, air hockey table and organ), (iii) stained glass

1 living room table lamp and any are deco prints/posters in lower level game room, (iv) pop corn  
2 machine, (v) snow blower in garage, (vi) both beside lamps in the master, (vii) all electronic  
3 components, inclusive of the theater system, (viii) beer dispenser, and (ix) all outdoor furniture.  
4 Purchased Furnishings does not include any of the Debtor's personal belongings or possessions  
5 and two fold-up plastic tables in the secondary master bedroom. On his Schedule C, the Debtor  
6 claimed an exemption against his "household goods"<sup>3</sup> of "100% of the fair market value, up to any  
7 applicable statutory limit" (i.e., \$16,000.00) pursuant to California Code of Civil Procedure §  
8 704.020. Based on the offer, the Trustee has advised the Debtor that from the proceeds of the  
9 sale, in addition to his Homestead Exemption of \$175,000.00, the Debtor will be paid \$10,000.00  
10 for his exemption claim in the Purchased Furnishings.

11 Through the Sale Motion, the Trustee seeks a Court order authorizing the sale of the  
12 Property and the Purchased Furnishings free and clear of liens, on an "as-is, where-is" condition  
13 with no representation and warranties, and subject to overbids.

14 **F. Approval of the Bidding Procedures Related to the Property.**

15 The Trustee has determined that it would benefit the Estate to permit all interested parties  
16 to receive information and bid for the Property instead of selling to the Buyer on an exclusive  
17 basis. Accordingly, in order to obtain the highest and best offer for the benefit of the creditors of  
18 this Estate, the Trustee is utilizing and also seeks Court approval of the following bidding  
19 procedures ("Bidding Procedures"):

20 1. Potential bidders must bid an initial amount of at least \$910,000. Minimum bid  
21 increments thereafter shall be \$1,000. The Trustee shall have sole discretion in determining which  
overbid is the best for the Estate and will seek approval from the Court of the same.

22 2. Bids must be in writing and be received by the Trustee or his counsel, Melissa  
23 Davis Lowe, on or before **5:00 p.m. (California time) on December 14, 2018**. Bids must be  
24 accompanied by certified funds in an amount equal to three percent (3%) of the overbid purchase  
price.

25 3. The bidder must also provide evidence of having sufficient specifically committed  
26 funds to complete the transaction or a lending commitment for the bid amount and such other  
27 documentation relevant to the bidder's ability to qualify as the purchaser of Property (and if  
applicable, the Purchased Furnishings) and ability to close the sale and immediately and  
unconditionally pay the winning bid purchase price at closing.

---

<sup>3</sup> The "household goods" included clothing valued at \$1,000.00 and furnishings valued at \$15,000.00.

1           4. The bidder must seek to acquire the Property on terms and conditions not less  
2 favorable to the Estate than the terms and conditions to which the Buyer has agreed to purchase  
3 the Property as set forth in the Agreement with the Buyer including no contingencies and closing  
on the sale in the same time parameters as the Buyer.

4           5. All competing bids must acknowledge that the Property is being sold on an “AS  
5 IS” basis without warranties of any kind, expressed or implied, being given by the Seller,  
6 concerning the condition of the Property or the quality of the title thereto, or any other matters  
7 relating to the Property. The competing bid buyer must represent and warrant that he/she is  
8 purchasing the Property as a result of their own investigations and are not buying the Property  
9 pursuant to any representation made by any broker, agent, accountant, attorney or employee acting  
at the direction, or on the behalf of the Seller. The competing bidder must acknowledge that  
he/she has inspected the Property, and upon closing of Escrow governed by the Agreement, the  
Buyer forever waives, for himself/herself, their heirs, successors and assigns, all claims against the  
Debtors, their attorneys, agents and employees, the Debtor’s Estate, Karl T. Anderson as Trustee  
and individually, and his counsel, Shulman Hodges & Bastian LLP, his agents and employees,  
arising or which might otherwise arise in the future concerning the Property.

10           6. If overbids are received, the final bidding round shall be held at the hearing on the  
11 Sale Motion (**December 18, 2018 at 2:00 p.m., California Time, at the U.S. Bankruptcy  
12 Court, Video Courtroom 225, 3420 Twelfth Street, Riverside, California 92501**), or if  
13 rescheduled, upon telephonic notice to the Buyer and the parties having submitted overbids in  
14 order to allow all potential bidders the opportunity to overbid and purchase the Property. At the  
final bidding round, the Trustee in the exercise of his business judgment and subject to Court  
approval, accept the bidder who has made the highest and best offer to purchase the Property,  
consistent with the Bidding Procedures (“Successful Bidder”).

15           7. At the hearing on the Sale Motion, the Trustee will seek entry of an order, *inter*  
16 *alia*, authorizing and approving the sale of the Property to the Successful Bidder. The hearing on  
the Sale Motion may be adjourned or rescheduled without notice other than by an announcement  
of the adjourned date at the hearing on the Sale Motion.

17           8. In the event the Successful Bidder fails to close on the sale of the Property within  
18 the time parameters approved by the Court, the Trustee shall retain the Successful Bidder’s  
19 Deposit and will be released from the obligation to sell the Property to the Successful Bidder and  
the Trustee may then sell the Property to the First Back-Up Bidder approved by the Court.

20           9. In the event First Back-Up Bidder fails to close on the sale of the Property within  
21 the time parameters approved by the Court, the Trustee shall retain the First Back-Up Bidder’s  
22 Deposit and will be released from his obligation to sell the Property to the First Back-Up Bidder  
and the Trustee may then sell the Property to the Second Back-Up Bidder approved by the Court.

23           The Bidding Procedures will be provided to all creditors and any potential bidders or  
24 parties who have shown an interest in the Property. A Notice of Sale of Estate Property will be  
25 filed with the Court for posting on the Court’s website under the link “Current Notices of Sales”,  
26 which affords notice to additional potential interested parties. The Broker will update the Multiple  
27 Listing Service to reflect the Bidding Procedures. Based on this, the Trustee believes that under  
28 the circumstances of this case, the Property will have been appropriately marketed for bidding.

1 **G. Costs of the Sale**

2 The Trustee's listing agreement with the Broker provides for a real estate commission to  
3 be paid of six percent (6%) of the purchase price. The Broker has agreed to a carve-out from the  
4 commission for the benefit of the Estate. Based on this, the Trustee seeks authorization to pay a  
5 real estate broker commission in the amount of \$54,300.00<sup>4</sup> to be split as follows:

6

|   |                       |
|---|-----------------------|
| 7 Trustee's Broker                              | 2.5% (or \$22,625.00) |
| 8 Selling Broker, Mountain Country Realty, Inc. | 2.5% (or \$22,625.00) |
| 9 Trustee on behalf of the Estate               | 1% (or \$9,050.00)    |
| 10 Total Commission                             | 6% (or \$54,300.00)   |

11 Escrow fees shall be split between Buyer and the Estate in the manner customary in the  
12 County where the Property is located (San Bernardino County, California).

13 **H. Tax Consequences**

14 The Trustee believes there will be no tax liability from the sale because he is informed by  
15 the Debtor that the Property was the Debtor's primary residence. Based on this, the Estate may be  
16 entitled to capital gains exclusions on the sale.

17 **I. Turnover of the Property at Closing**

18 Pursuant to the terms of the Contempt Order and to ensure that the Trustee may timely  
19 close on the sale of the Property, the Trustee requests that the order approving the Motion provide  
20 that the Debtor or any occupants of the Property are ordered to vacate and deliver the Property in a  
21 broom clean condition, including removing all personal property, but excluding the Purchased  
22 Furnishings, no later than three (3) days before the escrow scheduled closing date and that in the  
23 event the Debtor or any occupants of the Property fail to do so, that the United States Marshal or  
24 other law enforcement officer shall employ whatever reasonable force is necessary to enter the  
25 Property and to remove the occupants from possession and further, that the United States Marshal  
26 or other law enforcement officer shall institute a lock out whereby the Property will be re-keyed so  
27 \_\_\_\_\_

28 <sup>4</sup> The total amount of real estate broker's commission will increase if the purchase price for the Property is increased  
by a successful overbid; but in no event will exceed 6% of the purchase price.

as to avoid further entry of the Property by the Debtor or any persons not authorized by the Trustee.

### III. ARGUMENT<sup>5</sup>

#### A. There is a Good Business Reason for the Sale and the Sale is in the Best Interest of the Estate.

The duties of a trustee in a Chapter 7 filing are enumerated in 11 U.S.C. § 704, which provides in relevant part as follows:

(a) The trustee shall—

(1) collect and reduce to money the property of the estate for which such trustee serves, and close such estate as expeditiously as is compatible with the best interests of parties in interest;

(2) be accountable for all property received;

11 U.S.C. § 704(a).

Further, the Trustee, after notice and hearing, may sell property of the estate. 11 U.S.C. § 363(b). Courts ordinarily will approve a proposed sale if there is a good business reason for the sale and the sale is in the best interests of the estate. *In re Wilde Horse Enterprises, Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991); *In re Lionel Corp.*, 722 F.2d 1063, 1069 (2d Cir. 1983). In this case, the sale is anticipated to net the Estate \$80,200.00, as follows (amounts are estimated):

|  |                    |
|--|--------------------|
| Sale Price (or an amount as increased by overbid)                      | \$905,000.00       |
| Less costs of sale, including real estate commission (estimated at 7%) | (\$63,350.00)      |
| Less property taxes (pro-rata) (estimated)                             | (\$10,500.00)      |
| Less payoff to the Lender Agent on the First DOT (estimated)           | (\$574,000.00)     |
| Less payoff to Water Agency (estimated)                                | (\$600.00)         |
| Less payoff to Public Works (estimated)                                | (\$400.00)         |
| Less Debtor's Homestead Exemption (estimated)                          | (\$175,000.00)     |
| Less to pay Debtor's exemption in the Purchased Furnishings            | (\$10,000.00)      |
| Plus carve-out to Estate from broker commission                        | \$9,050.00         |
| <b>Estimated net sale proceeds for Estate</b>                          | <b>\$80,200.00</b> |

<sup>5</sup> Although Local Bankruptcy Rule 6004-1(c)(2)(C) does not require that a memorandum of points and authorities be filed in support of the Sale Motion, the Trustee is nevertheless submitting one.

The Trustee believes that, from the net sale proceeds, he will be able to make a meaningful distribution to unsecured creditors in this case.

**B. The Proposed Sale Should be Allowed Free and Clear of Liens.**

Bankruptcy Code Section 363(f) allows a trustee to sell property of the bankruptcy estate “free and clear of any interest in such property of an entity,” if any one of the following five conditions is met:

- (1) applicable non-bankruptcy law permits a sale of such property free and clear of such interest;
- (2) such entity consents;
- (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (4) such interest is in bona fide dispute; or
- (5) such entity could be compelled, in a legal or equitable proceeding, to accept money satisfaction of such interest.

11 U.S.C. § 363(f). Section 363(f) is written in the disjunctive and thus only one of the enumerated conditions needs to be satisfied for Court approval to be appropriate. The Trustee proposes to sell under sections 363(f)(2) and 363(f)(3).

**1. Section 363(f)(2) – Consent.**

The sale of the Property is proper pursuant to Section 363(f)(2). With respect to the Lender Agent/First DOT, the liens of the Water Agency and Public Works, each will be paid through escrow on the sale in the amount consented to by the lienholders. Based on their consent to the sale, the Trustee will have satisfied Section 363(f)(2).

**2. Section 363(f)(3) – Price Greater than Value.**

The sale of the Property is proper pursuant to Section 363(f)(3). The sale price is for a sum that is greater than the aggregate value of the non-disputed liens listed in the Title Report.

**C. Request for Payment of Real Estate Commission.**

Section 328 of the Bankruptcy Code allows employment of a professional person under Section 327 “on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis.” 11 U.S.C. §



328(a). Through this Sale Motion, the Trustee seeks authorization to pay a real estate broker commission not to exceed a total of six percent (6%) of the final purchase price to be split as follows: 1% for the Estate, 2.5% for the Trustee's Broker, and 2.5% for the Selling Broker (Mountain County Realty, Inc.).

**D. The Court Has the Authority to Approve the Bidding Procedures.**

Implementing the Bidding Procedures is an action outside of the ordinary course of the business. Section 363(b)(1) of the Bankruptcy Code provides that a trustee "after notice and hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Furthermore, under Bankruptcy Code Section 105(a), "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). Thus, pursuant to Sections 363(b)(1) and 105(a) of the Bankruptcy Code, this Court may approve the Bidding Procedures, which will assist the Trustee to obtain the best possible price on the best possible terms for the Property.

**E. The Court Has the Authority to Waive the Fourteen-Day Stay of Sale.**

Federal Rule of Bankruptcy Procedure 6004(h) provides that "[a]n order authorizing the use, sale or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the Court orders otherwise." Fed. Rule Bankr. P. 6004(h).

The Trustee desires to close the sale of the Property as soon as practicable after entry of an order approving the sale. Accordingly, the Trustee requests that the Court, in the discretion provided it under Federal Rule of Bankruptcy Procedure 6004(h), waive the fourteen-day stay requirement.

**IV. CONCLUSION**

Based on the reasons set forth above, the Trustee respectfully submits that good cause exists for granting the Sale Motion and requests that the Court enter an order as follows:

1. Approving the Bidding Procedures set forth above for the sale of the Property and the Purchased Furnishings.
2. Authorizing the Trustee to sell the Property and the Purchased Furnishings on an as-is, where-is basis, without any warranties or representations to the Buyer (or Successful Bidder)

1 pursuant to the terms and conditions as set form in the Agreement attached as **Exhibit 4** to the  
2 Anderson Declaration.

3 3. Authorizing the sale of the Property free and clear of all liens, claims and interests.

4 4. Authorizing the Trustee to pay from the proceeds of the sale of the Property all  
5 ordinary and customary costs of sale, including escrow fees.

6 5. Authorizing the Trustee to sign any and all documents convenient and necessary in  
7 pursuit of the sale, including but not limited to any and all conveyances contemplated by the  
8 Agreement attached as **Exhibit 4** to the Anderson Declaration.

9 6. Approving the payment of the real estate commission in the total amount not to  
10 exceed six percent (6%) of the final purchase price of the Property with a carve-out of one percent  
11 (1%) to the Estate.

12 7. Authorizing the Trustee to pay liens, costs of sale and other expenses directly from  
13 the sale proceeds at the close of escrow including: (i) all real property taxes, (ii) all amounts owed  
14 to the Lender Agent in the estimated amount of \$574,000, the Water Agency and Public Works,  
15 and (iii) escrow fees and other costs of sale to be split between the Buyer and the Estate in the  
16 manner customary in San Bernardino County, California.

17 8. So that the Trustee may close on the sale of the Property and so that the Buyer can  
18 verify the Purchased Furnishings have been left at the Property, requiring and ordering that the  
19 Debtor or any occupants of the Property must vacate and deliver the Property in a broom clean  
20 condition, including removing all personal property, but excluding the Purchased Furnishings,  
21 within three days prior to the escrow scheduled closing date.

22 9. If the Debtor and all occupants do not vacate and deliver the Property by the time  
23 and on the conditions specified above, authorizing (i) the Trustee to surcharge the Debtor's  
24 Homestead Exemption by \$100.00 per day for each day that the Debtor and all occupants do not  
25 vacate the Property, (ii) the United States Marshal or other law enforcement officer to employ  
26 whatever reasonable force is necessary to enter the Property and to remove the occupants from  
27 possession; and (iii) the United States Marshal or other law enforcement officer to institute a lock  
28

1 out whereby the Property will be re-keyed so as to avoid further entry of the Property by the  
2 Debtor or any persons not authorized by the Trustee.

3 10. Authorizing the Trustee to pay the Debtor his Homestead Exemption against the  
4 Property of \$175,000.00 and his exemption against Purchased Furnishings in the amount not to  
5 exceed \$10,000.00, provided that three days prior to the escrow closing date, the Debtor has  
6 delivered the Property in broom clean condition and delivered (left at the Property) the entire  
7 inventory of Purchased Furnishings.

8 11. Determining that the Buyer is in good faith pursuant to 11 U.S.C. § 363(m).

9 12. Waiving the fourteen day stay of the order approving the sale of the Property under  
10 Federal Rules of Bankruptcy Procedure 6004(h).

11 13. For such other and further relief as the Court deems just and proper under the  
12 circumstances of this case.

13  
14 Respectfully submitted,

15 Dated: November 27, 2018

**SHULMAN HODGES & BASTIAN LLP**

16 /s/ Melissa Davis Lowe

17 \_\_\_\_\_  
Leonard M. Shulman  
Melissa Davis Lowe  
18 Attorneys for Karl T. Anderson, Chapter 7 Trustee  
for the bankruptcy estate of Douglas Craig Woodard  
19  
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# **DECLARATION**

**DECLARATION OF KARL T. ANDERSON**

I, Karl T. Anderson, declare and state as follows:

1. I am the duly appointed, qualified and acting Chapter 7 trustee for the bankruptcy estate of Douglas Craig Woodard ("Debtor"). I have personal knowledge of the facts set forth herein, and if called and sworn as a witness, I could and would competently testify thereto, except where matters are stated on information and belief, in which case I am informed and believe that the facts so stated are true and correct.

2. I am familiar with the Debtor's bankruptcy case and make this Declaration in support of my *Motion for Order: (1) Approving the Sale of Real Property and Personal Property of the Estate Free and Clear of Certain Liens Pursuant to Bankruptcy Code §§ 363(b)(1) and (f), Subject to Overbids, Combined With Notice of Bidding Procedures and Request for Approval of the Bidding Procedures Utilized; (2) Approving Payment of Real Estate Commission and Other Costs; and (3) Granting Related Relief* ("Sale Motion"). Capitalized terms not otherwise defined in this Declaration shall have the meaning set forth in the Sale Motion.

3. I have read and I am aware of the contents of the Sale Motion and the accompanying Memorandum of Points and Authorities. The facts stated in the Sale Motion and the Memorandum of Points and Authorities are true to the best of my knowledge.

4. Attached hereto as **Exhibit 1** are true and correct copies of the Debtor's Schedules A/B, C and D.

5. Attached hereto as **Exhibit 2** is a true and correct copy of the Contempt Order entered by this Court on January 11, 2018.

6. Attached hereto as **Exhibit 3** is true and copy of the Title Report on the Property dated October 6, 2017. The Title Report identifies the liens and encumbrances against the Property.

7. On February 23, 2018 I filed an application to employ Richard A. Halderman, Jr. to assist in marketing the Property for sale, which application was approved by Court order entered on April 9, 2018 (docket 64). I am filing a second application to associate Barnett Real Estate as

1 the co-broker with Richard A. Halderman (collectively the “Broker”). The Property has been on  
2 the market for over nine months.

3 8. The Estate does not have sufficient funds to obtain a formal written appraisal for  
4 the estimated value of the Property. The Broker is experienced in the sale of real property as well  
5 as property valuations and is familiar with valuing real property in today’s economic environment.  
6 The Broker viewed the Property and believed originally that it had a fair market value that  
7 supported a list price of \$1,300,000. The listing price was determined on comparable sales of  
8 similar properties in the area and the condition of the Property. However, following months with  
9 no offers and problems with the Debtor maintaining the Property in a broom clean condition, the  
10 listing was reduced to \$975,000.00.

11 9. Attached here as **Exhibit 4** is a true and correct copy of the Residential Purchase  
12 Agreement and Joint Escrow Instructions and related addendum (collectively the “Agreement”).  
13 The Buyer’s offer is the result of negotiations between the Trustee and the Buyer for the highest  
14 and best offer.

15 10. Despite multiple showings of the Property, the Buyer’s offer is the first offer that  
16 has been received. I believe that the current proposed sale, subject to overbids, will be at fair  
17 market value. Given that the sale is subject to overbids, it is anticipated the Estate will receive the  
18 best and highest value for the Property and the proposed sale price is fair and reasonable.

19 11. The listing agreement with the Broker provides for a real estate commission to be  
20 paid of six percent (6%) of the sale price. The Broker and I have agreed to a one percent (1%)  
21 carve-out from the commission for the benefit of the Estate.

22 12. I believe there will be no tax liability from the sale because I am informed by the  
23 Debtor that the Property was the Debtor’s primary residence, having resided there two of the last  
24 five years. Based on this, the Estate may be entitled to capital gains exclusions on the sale.

25 ////

26 ////

27 ////

13. For the reasons set forth in the Sale Motion and this Declaration, I believe that good cause exists to grant the Sale Motion and respectfully request that the Court grant the Sale Motion so that I do not lose this favorable business opportunity to help provide a meaningful benefit to the Estate.

I declare under penalty of perjury pursuant to the laws of the United States of America that the foregoing is true and correct.

EXECUTED on November 27, 2018, at Palm Springs, California.

/s/ Karl T. Anderson with Permission  
ORIGINAL SIGNATURE TO BE FILED  
UNDER SEPARATE COVER

# **EXHIBIT 1**



Fill in this information to identify your case and this filing:

Debtor 1 Douglas Craig Woodard  
First Name Middle Name Last Name

Debtor 2  
(Spouse, if filing) First Name Middle Name Last Name

United States Bankruptcy Court for the: Central District of California

Case number 6:17-bk-17512-MJ

☐ Check if this is an amended filing

Official Form 106A/B

**Schedule A/B: Property**

12/15

In each category, separately list and describe items. List an asset only once. If an asset fits in more than one category, list the asset in the category where you think it fits best. Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

**Part 1: Describe Each Residence, Building, Land, or Other Real Estate You Own or Have an Interest In**

1. Do you own or have any legal or equitable interest in any residence, building, land, or similar property?

- ☐ No. Go to Part 2.  
☒ Yes. Where is the property?

1.1. 225 Birchwood Drive  
Street address, if available, or other description

Lake Arrowhead CA 92352  
City State ZIP Code

San Bernardino  
County

**What is the property?** Check all that apply.

- ☒ Single-family home  
☐ Duplex or multi-unit building  
☐ Condominium or cooperative  
☐ Manufactured or mobile home  
☐ Land  
☐ Investment property  
☐ Timeshare  
☐ Other \_\_\_\_\_

**Who has an interest in the property?** Check one.

- ☒ Debtor 1 only  
☐ Debtor 2 only  
☐ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another

**Other information you wish to add about this item, such as local property identification number:** \_\_\_\_\_

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?** \$ 650,000.00  
**Current value of the portion you own?** \$ 650,000.00

**Describe the nature of your ownership interest (such as fee simple, tenancy by the entireties, or a life estate), if known.**

fee

☐ Check if this is community property (see instructions)

If you own or have more than one, list here:

1.2. \_\_\_\_\_  
Street address, if available, or other description

\_\_\_\_\_  
City State ZIP Code

\_\_\_\_\_  
County

**What is the property?** Check all that apply.

- ☐ Single-family home  
☐ Duplex or multi-unit building  
☐ Condominium or cooperative  
☐ Manufactured or mobile home  
☐ Land  
☐ Investment property  
☐ Timeshare  
☐ Other \_\_\_\_\_

**Who has an interest in the property?** Check one.

- ☐ Debtor 1 only  
☐ Debtor 2 only  
☐ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another

**Other information you wish to add about this item, such as local property identification number:** \_\_\_\_\_

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?** \_\_\_\_\_  
**Current value of the portion you own?** \_\_\_\_\_

**Describe the nature of your ownership interest (such as fee simple, tenancy by the entireties, or a life estate), if known.**

☐ Check if this is community property (see instructions)

Debtor 1

Douglas Craig Woodard

First Name

Middle Name

Last Name

1.3.

Street address, if available, or other description

City State ZIP Code

County

**What is the property?** Check all that apply.

- ☐ Single-family home
- ☐ Duplex or multi-unit building
- ☐ Condominium or cooperative
- ☐ Manufactured or mobile home
- ☐ Land
- ☐ Investment property
- ☐ Timeshare
- ☐ Other \_\_\_\_\_

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?** **Current value of the portion you own?**

\$ \_\_\_\_\_ \$ \_\_\_\_\_

**Describe the nature of your ownership interest (such as fee simple, tenancy by the entireties, or a life estate), if known.**

**Who has an interest in the property?** Check one.

- ☐ Debtor 1 only
- ☐ Debtor 2 only
- ☐ Debtor 1 and Debtor 2 only
- ☐ At least one of the debtors and another

☐ **Check if this is community property** (see instructions)

**Other information you wish to add about this item, such as local property identification number:** \_\_\_\_\_

2. **Add the dollar value of the portion you own for all of your entries from Part 1, including any entries for pages you have attached for Part 1. Write that number here.** \_\_\_\_\_ →

\$ 650,000.00

**Part 2: Describe Your Vehicles**

**Do you own, lease, or have legal or equitable interest in any vehicles, whether they are registered or not?** Include any vehicles you own that someone else drives. If you lease a vehicle, also report it on *Schedule G: Executory Contracts and Unexpired Leases*.

3. **Cars, vans, trucks, tractors, sport utility vehicles, motorcycles**

- ☐ No
- ☒ Yes

3.1. Make: GMC

Model: Yukon

Year: 2004

Approximate mileage: 102000

Other information: \_\_\_\_\_

**Who has an interest in the property?** Check one.

- ☒ Debtor 1 only
- ☐ Debtor 2 only
- ☐ Debtor 1 and Debtor 2 only
- ☐ At least one of the debtors and another

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?** **Current value of the portion you own?**

\$ 2,500.00 \$ 2,500.00

☐ **Check if this is community property** (see instructions)

If you own or have more than one, describe here:

3.2. Make: \_\_\_\_\_

Model: \_\_\_\_\_

Year: \_\_\_\_\_

Approximate mileage: \_\_\_\_\_

Other information: \_\_\_\_\_

**Who has an interest in the property?** Check one.

- ☐ Debtor 1 only
- ☐ Debtor 2 only
- ☐ Debtor 1 and Debtor 2 only
- ☐ At least one of the debtors and another

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?** **Current value of the portion you own?**

\$ \_\_\_\_\_ \$ \_\_\_\_\_

☐ **Check if this is community property** (see instructions)

# Exhibit 1

Schedule A/B: Property

Debtor 1

Douglas Craig Woodard

First Name

Middle Name

Last Name

3.3. Make: \_\_\_\_\_  
 Model: \_\_\_\_\_  
 Year: \_\_\_\_\_  
 Approximate mileage: \_\_\_\_\_  
 Other information: \_\_\_\_\_

**Who has an interest in the property?** Check one.

- ☐ Debtor 1 only  
☐ Debtor 2 only  
☐ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?****Current value of the portion you own?**

\$ \_\_\_\_\_

\$ \_\_\_\_\_

☐ **Check if this is community property** (see instructions)

3.4. Make: \_\_\_\_\_  
 Model: \_\_\_\_\_  
 Year: \_\_\_\_\_  
 Approximate mileage: \_\_\_\_\_  
 Other information: \_\_\_\_\_

**Who has an interest in the property?** Check one.

- ☐ Debtor 1 only  
☐ Debtor 2 only  
☐ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?****Current value of the portion you own?**

\$ \_\_\_\_\_

\$ \_\_\_\_\_

☐ **Check if this is community property** (see instructions)

**4. Watercraft, aircraft, motor homes, ATVs and other recreational vehicles, other vehicles, and accessories**

*Examples: Boats, trailers, motors, personal watercraft, fishing vessels, snowmobiles, motorcycle accessories*

- ☒ No  
☐ Yes

4.1. Make: \_\_\_\_\_  
 Model: \_\_\_\_\_  
 Year: \_\_\_\_\_  
 Other information: \_\_\_\_\_

**Who has an interest in the property?** Check one.

- ☐ Debtor 1 only  
☐ Debtor 2 only  
☐ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?****Current value of the portion you own?**

\$ \_\_\_\_\_

\$ \_\_\_\_\_

☐ **Check if this is community property** (see instructions)

If you own or have more than one, list here:

4.2. Make: \_\_\_\_\_  
 Model: \_\_\_\_\_  
 Year: \_\_\_\_\_  
 Other information: \_\_\_\_\_

**Who has an interest in the property?** Check one.

- ☐ Debtor 1 only  
☐ Debtor 2 only  
☐ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?****Current value of the portion you own?**

\$ \_\_\_\_\_

\$ \_\_\_\_\_

☐ **Check if this is community property** (see instructions)

5. **Add the dollar value of the portion you own for all of your entries from Part 2, including any entries for pages you have attached for Part 2. Write that number here** \_\_\_\_\_ →

|             |
|-------------|
| \$ 2,500.00 |
|-------------|

Debtor 1

Douglas Craig Woodard

First Name

Middle Name

Last Name

Case number (if known)

6:17-bk-17512-MJ

**Part 3: Describe Your Personal and Household Items**

Do you own or have any legal or equitable interest in any of the following items?

Current value of the  
portion you own?Do not deduct secured claims  
or exemptions.**6. Household goods and furnishings***Examples:* Major appliances, furniture, linens, china, kitchenware☐ No☒ Yes. Describe..... Household Furnishings

\$ 15,000.00

**7. Electronics***Examples:* Televisions and radios; audio, video, stereo, and digital equipment; computers, printers, scanners; music collections; electronic devices including cell phones, cameras, media players, games☒ No☐ Yes. Describe.....

\$

**8. Collectibles of value***Examples:* Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; stamp, coin, or baseball card collections; other collections, memorabilia, collectibles☒ No☐ Yes. Describe.....

\$

**9. Equipment for sports and hobbies***Examples:* Sports, photographic, exercise, and other hobby equipment; bicycles, pool tables, golf clubs, skis; canoes and kayaks; carpentry tools; musical instruments☒ No☐ Yes. Describe.....

\$

**10. Firearms***Examples:* Pistols, rifles, shotguns, ammunition, and related equipment☒ No☐ Yes. Describe.....

\$

**11. Clothes***Examples:* Everyday clothes, furs, leather coats, designer wear, shoes, accessories☐ No☒ Yes. Describe..... Clothing

\$ 1,000.00

**12. Jewelry***Examples:* Everyday jewelry, costume jewelry, engagement rings, wedding rings, heirloom jewelry, watches, gems, gold, silver☒ No☐ Yes. Describe.....

\$

**13. Non-farm animals***Examples:* Dogs, cats, birds, horses☒ No☐ Yes. Describe.....

\$

**14. Any other personal and household items you did not already list, including any health aids you did not list**☒ No☐ Yes. Give specific  
information. ....

\$

**15. Add the dollar value of all of your entries from Part 3, including any entries for pages you have attached for Part 3. Write that number here**

\$ 16,000.00

**Exhibit 1**  
Schedule A/B: Property

Debtor 1

Douglas Craig Woodard

First Name

Middle Name

Last Name

Case number (if known)

6:17-bk-17512-MJ

**Part 4: Describe Your Financial Assets**

Do you own or have any legal or equitable interest in any of the following?

**Current value of the portion you own?**

Do not deduct secured claims or exemptions.

**16. Cash***Examples:* Money you have in your wallet, in your home, in a safe deposit box, and on hand when you file your petition☒ No☐ Yes ..... Cash: ..... \$ .....**17. Deposits of money***Examples:* Checking, savings, or other financial accounts; certificates of deposit; shares in credit unions, brokerage houses, and other similar institutions. If you have multiple accounts with the same institution, list each.☐ No☒ Yes .....

Institution name:

|                                |                        |                  |
|--------------------------------|------------------------|------------------|
| 17.1. Checking account:        | <u>Bank of America</u> | \$ <u>550.00</u> |
| 17.2. Checking account:        | _____                  | \$ _____         |
| 17.3. Savings account:         | _____                  | \$ _____         |
| 17.4. Savings account:         | _____                  | \$ _____         |
| 17.5. Certificates of deposit: | _____                  | \$ _____         |
| 17.6. Other financial account: | _____                  | \$ _____         |
| 17.7. Other financial account: | _____                  | \$ _____         |
| 17.8. Other financial account: | _____                  | \$ _____         |
| 17.9. Other financial account: | _____                  | \$ _____         |

**18. Bonds, mutual funds, or publicly traded stocks***Examples:* Bond funds, investment accounts with brokerage firms, money market accounts☒ No☐ Yes ..... Institution or issuer name:

|       |          |
|-------|----------|
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |

**19. Non-publicly traded stock and interests in incorporated and unincorporated businesses, including an interest in an LLC, partnership, and joint venture**☒ No☐ Yes. Give specific information about them.....

| Name of entity: | % of ownership: |          |
|-----------------|-----------------|----------|
| _____           | _____ %         | \$ _____ |
| _____           | _____ %         | \$ _____ |
| _____           | _____ %         | \$ _____ |

**Exhibit 1**

Debtor 1

Douglas Craig Woodard

First Name

Middle Name

Last Name

Case number (if known) 6:17-bk-17512-MJ

**20. Government and corporate bonds and other negotiable and non-negotiable instruments***Negotiable instruments* include personal checks, cashiers' checks, promissory notes, and money orders.*Non-negotiable instruments* are those you cannot transfer to someone by signing or delivering them.☒ No☐ Yes. Give specific information about them.....

Issuer name:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_

**21. Retirement or pension accounts***Examples:* Interests in IRA, ERISA, Keogh, 401(k), 403(b), thrift savings accounts, or other pension or profit-sharing plans☒ No☐ Yes. List each account separately.

Type of account:

Institution name:

401(k) or similar plan:

Pension plan:

IRA:

Retirement account:

Keogh:

Additional account:

Additional account:

\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_

**22. Security deposits and prepayments**

Your share of all unused deposits you have made so that you may continue service or use from a company

*Examples:* Agreements with landlords, prepaid rent, public utilities (electric, gas, water), telecommunications companies, or others☒ No☐ Yes.....

Institution name or individual:

Electric:

Gas:

Heating oil:

Security deposit on rental unit:

Prepaid rent:

Telephone:

Water:

Rented furniture:

Other:

\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_

**23. Annuities** (A contract for a periodic payment of money to you, either for life or for a number of years)☒ No☐ Yes.....

Issuer name and description:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_

**Exhibit 1**

Schedule A/B: Property

Debtor 1

Douglas Craig Woodard

First Name

Middle Name

Last Name

Case number (if known) 6:17-bk-17512-MJ

**24. Interests in an education IRA, in an account in a qualified ABLE program, or under a qualified state tuition program.**

26 U.S.C. §§ 530(b)(1), 529A(b), and 529(b)(1).

☒ No☐ Yes ..... Institution name and description. Separately file the records of any interests. 11 U.S.C. § 521(c):

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

**25. Trusts, equitable or future interests in property (other than anything listed in line 1), and rights or powers exercisable for your benefit**☒ No☐ Yes. Give specific information about them....

\$ \_\_\_\_\_

**26. Patents, copyrights, trademarks, trade secrets, and other intellectual property***Examples:* Internet domain names, websites, proceeds from royalties and licensing agreements☒ No☐ Yes. Give specific information about them....

\$ \_\_\_\_\_

**27. Licenses, franchises, and other general intangibles***Examples:* Building permits, exclusive licenses, cooperative association holdings, liquor licenses, professional licenses☒ No☐ Yes. Give specific information about them....

\$ \_\_\_\_\_

**Money or property owed to you?****Current value of the portion you own?**  
Do not deduct secured claims or exemptions.**28. Tax refunds owed to you**☒ No☐ Yes. Give specific information about them, including whether you already filed the returns and the tax years. ....

Federal: \$ \_\_\_\_\_

State: \$ \_\_\_\_\_

Local: \$ \_\_\_\_\_

**29. Family support***Examples:* Past due or lump sum alimony, spousal support, child support, maintenance, divorce settlement, property settlement☒ No☐ Yes. Give specific information.....

Alimony: \$ \_\_\_\_\_

Maintenance: \$ \_\_\_\_\_

Support: \$ \_\_\_\_\_

Divorce settlement: \$ \_\_\_\_\_

Property settlement: \$ \_\_\_\_\_

**30. Other amounts someone owes you***Examples:* Unpaid wages, disability insurance payments, disability benefits, sick pay, vacation pay, workers' compensation, Social Security benefits; unpaid loans you made to someone else☒ No☐ Yes. Give specific information.....

\$ \_\_\_\_\_

**Exhibit 1**

Schedule A/B: Property

Debtor 1

Douglas Craig Woodard

First Name

Middle Name

Last Name

Case number (if known) 6:17-bk-17512-MJ

**31. Interests in insurance policies***Examples:* Health, disability, or life insurance; health savings account (HSA); credit, homeowner's, or renter's insurance☒ No☐ Yes. Name the insurance company of each policy and list its value. ....

Company name:

Beneficiary:

Surrender or refund value:

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

**32. Any interest in property that is due you from someone who has died**

If you are the beneficiary of a living trust, expect proceeds from a life insurance policy, or are currently entitled to receive property because someone has died.

☒ No☐ Yes. Give specific information. ....

\$ \_\_\_\_\_

**33. Claims against third parties, whether or not you have filed a lawsuit or made a demand for payment***Examples:* Accidents, employment disputes, insurance claims, or rights to sue☒ No☐ Yes. Describe each claim. ....

\$ \_\_\_\_\_

**34. Other contingent and unliquidated claims of every nature, including counterclaims of the debtor and rights to set off claims**☒ No☐ Yes. Describe each claim. ....

\$ \_\_\_\_\_

**35. Any financial assets you did not already list**☒ No☐ Yes. Give specific information. ....

\$ \_\_\_\_\_

**36. Add the dollar value of all of your entries from Part 4, including any entries for pages you have attached for Part 4. Write that number here** .....

\$ 550.00

**Part 5:****Describe Any Business-Related Property You Own or Have an Interest In. List any real estate in Part 1.****37. Do you own or have any legal or equitable interest in any business-related property?**☒ No. Go to Part 6.☐ Yes. Go to line 38.**Current value of the portion you own?**

Do not deduct secured claims or exemptions.

**38. Accounts receivable or commissions you already earned**☒ No☐ Yes. Describe.....

\$ \_\_\_\_\_

**39. Office equipment, furnishings, and supplies***Examples:* Business-related computers, software, modems, printers, copiers, fax machines, rugs, telephones, desks, chairs, electronic devices☒ No☐ Yes. Describe.....

\$ \_\_\_\_\_

**Exhibit 1**

Schedule A/B: Property



Debtor 1

Douglas Craig Woodard

First Name

Middle Name

Last Name

Case number (if known) 6:17-bk-17512-MJ

**40. Machinery, fixtures, equipment, supplies you use in business, and tools of your trade**☒ No☐ Yes. Describe.....

\$ \_\_\_\_\_

**41. Inventory**☒ No☐ Yes. Describe.....

\$ \_\_\_\_\_

**42. Interests in partnerships or joint ventures**☒ No☐ Yes. Describe.....

Name of entity:

% of ownership:

\_\_\_\_\_ %

\_\_\_\_\_ %

\_\_\_\_\_ %

\_\_\_\_\_ %

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

**43. Customer lists, mailing lists, or other compilations**☒ No☐ Yes. Do your lists include personally identifiable information (as defined in 11 U.S.C. § 101(41A))?☐ No☐ Yes. Describe.....

\$ \_\_\_\_\_

**44. Any business-related property you did not already list**☒ No☐ Yes. Give specific information .....

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

**45. Add the dollar value of all of your entries from Part 5, including any entries for pages you have attached for Part 5. Write that number here .....**

\$ \_\_\_\_\_

**Part 6:****Describe Any Farm- and Commercial Fishing-Related Property You Own or Have an Interest In.**  
If you own or have an interest in farmland, list it in Part 1.**46. Do you own or have any legal or equitable interest in any farm- or commercial fishing-related property?**☒ No. Go to Part 7.☐ Yes. Go to line 47.**Current value of the portion you own?**

Do not deduct secured claims or exemptions.

**47. Farm animals***Examples:* Livestock, poultry, farm-raised fish☒ No☐ Yes.....

\$ \_\_\_\_\_

**Exhibit 1**

Schedule A/B: Property

Debtor 1

Douglas Craig Woodard

First Name

Middle Name

Last Name

Case number (if known) 6:17-bk-17512-MJ

## 48. Crops—either growing or harvested

- ☒ No  
☐ Yes. Give specific information. ....

\$ \_\_\_\_\_

## 49. Farm and fishing equipment, implements, machinery, fixtures, and tools of trade

- ☒ No  
☐ Yes. ....

\$ \_\_\_\_\_

## 50. Farm and fishing supplies, chemicals, and feed

- ☒ No  
☐ Yes. ....

\$ \_\_\_\_\_

## 51. Any farm- and commercial fishing-related property you did not already list

- ☒ No  
☐ Yes. Give specific information. ....

\$ \_\_\_\_\_

## 52. Add the dollar value of all of your entries from Part 6, including any entries for pages you have attached for Part 6. Write that number here .....



\$ \_\_\_\_\_

**Part 7: Describe All Property You Own or Have an Interest in That You Did Not List Above**

## 53. Do you have other property of any kind you did not already list?

Examples: Season tickets, country club membership

- ☒ No  
☐ Yes. Give specific information. ....

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

## 54. Add the dollar value of all of your entries from Part 7. Write that number here .....



\$ \_\_\_\_\_

**Part 8: List the Totals of Each Part of this Form**

55. Part 1: Total real estate, line 2 ..... → \$ 650,000.00
56. Part 2: Total vehicles, line 5 ..... \$ 2,500.00
57. Part 3: Total personal and household items, line 15 ..... \$ 16,000.00
58. Part 4: Total financial assets, line 36 ..... \$ 550.00
59. Part 5: Total business-related property, line 45 ..... \$ \_\_\_\_\_
60. Part 6: Total farm- and fishing-related property, line 52 ..... \$ \_\_\_\_\_
61. Part 7: Total other property not listed, line 54 ..... + \$ \_\_\_\_\_
62. Total personal property. Add lines 56 through 61. .... \$ 19,050.00 Copy personal property total → + \$ 19,050.00
63. Total of all property on Schedule A/B. Add line 55 + line 62. .... \$ 669,050.00

**Exhibit 1**

Schedule A/B: Property

**Fill in this information to identify your case:**

|          |                       |             |           |
|----------|-----------------------|-------------|-----------|
| Debtor 1 | Douglas Craig Woodard |             |           |
|          | First Name            | Middle Name | Last Name |

| Debtor 2<br>(Spouse, if filing) |             |           |  |
|---------------------------------|-------------|-----------|--|
| First Name                      | Middle Name | Last Name |  |
|                                 |             |           |  |

United States Bankruptcy Court for the: **Central District of California**

Case number 6:17-bk-17512-MJ  
(if known)

☐ Check if this is an amended filing

## Official Form 106C

## Schedule C: The Property You Claim as Exempt

**4/16**

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. Using the property you listed on *Schedule A/B: Property* (Official Form 106A/B) as your source, list the property that you claim as exempt. If more space is needed, fill out and attach to this page as many copies of *Part 2: Additional Page* as necessary. On the top of any additional pages, write your name and case number (if known).

**For each item of property you claim as exempt, you must specify the amount of the exemption you claim. One way of doing so is to state a specific dollar amount as exempt. Alternatively, you may claim the full fair market value of the property being exempted up to the amount of any applicable statutory limit. Some exemptions—such as those for health aids, rights to receive certain benefits, and tax-exempt retirement funds—may be unlimited in dollar amount. However, if you claim an exemption of 100% of fair market value under a law that limits the exemption to a particular dollar amount and the value of the property is determined to exceed that amount, your exemption would be limited to the applicable statutory amount.**

## Part 1: Identify the Property You Claim as Exempt

- 1. Which set of exemptions are you claiming? Check one only, even if your spouse is filing with you.**

- ☒ You are claiming state and federal nonbankruptcy exemptions. 11 U.S.C. § 522(b)(3)  
☐ You are claiming federal exemptions. 11 U.S.C. § 522(b)(2)

- 2. For any property you list on Schedule A/B that you claim as exempt, fill in the information below.**

| Brief description of the property and line on Schedule A/B that lists this property   | Current value of the portion you own | Amount of the exemption you claim  | Specific laws that allow exemption                    |
|---|--------------------------------------|--|---|
|   | Copy the value from Schedule A/B     | Check only one box for each exemption.   |   |
| Brief description: <u>Single Family Residence</u><br>Line from Schedule A/B: <u>1</u> | <u>\$ 650,000.00</u>                 | <input type="checkbox"/> \$ _____<br><input checked="" type="checkbox"/> 100% of fair market value, up to any applicable statutory limit | California Code of Civil Procedure 704.730 Exemptions |
| Brief description: <u>2004 GMC Yukon</u><br>Line from Schedule A/B: _____             | <u>\$ 2,500.00</u>                   | <input type="checkbox"/> \$ _____<br><input checked="" type="checkbox"/> 100% of fair market value, up to any applicable statutory limit | California Code of Civil Procedure 704.010            |
| Brief description: <u>Household Goods</u><br>Line from Schedule A/B: _____            | <u>\$ 16,000.00</u>                  | <input type="checkbox"/> \$ _____<br><input checked="" type="checkbox"/> 100% of fair market value, up to any applicable statutory limit | California Code of Civil Procedure 704.020            |

- 3. Are you claiming a homestead exemption of more than \$160,375?**

(Subject to adjustment on 4/01/19 and every 3 years after that for cases filed on or after the date of adjustment.)

- ☐ No
- ☒ Yes. Did you acquire the property covered by the exemption within 1,215 days before you filed this case?
- ☒ No
- ☐ Yes

# Exhibit 1

**Fill in this information to identify your case:**

Debtor 1      Douglas Craig Woodard

|  |            |             |           |
|--|------------|-------------|-----------|
|  | First Name | Middle Name | Last Name |
|--|------------|-------------|-----------|

Debtor 2  
(Spouse, if filing)      \_\_\_\_\_

|  |            |             |           |
|--|------------|-------------|-----------|
|  | First Name | Middle Name | Last Name |
|--|------------|-------------|-----------|

United States Bankruptcy Court for the: **Central District of California**

Case number      6:17-bk-17512-MJ  
(if known)

☐ Check if this is an amended filing

## Official Form 106D

## Schedule D: Creditors Who Have Claims Secured by Property

12/15

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, copy the Additional Page, fill it out, number the entries, and attach it to this form. On the top of any additional pages, write your name and case number (if known).

**1. Do any creditors have claims secured by your property?**

- ☐ No. Check this box and submit this form to the court with your other schedules. You have nothing else to report on this form.
- ☒ Yes. Fill in all of the information below.

### Part 1: List All Secured Claims

| 2. List all secured claims. If a creditor has more than one secured claim, list the creditor separately for each claim. If more than one creditor has a particular claim, list the other creditors in Part 2. As much as possible, list the claims in alphabetical order according to the creditor's name.  |  | Column A<br>Amount of claim<br>Do not deduct the<br>value of collateral. | Column B<br>Value of collateral<br>that supports this<br>claim | Column C<br>Unsecured<br>portion<br>If any |
|---|--|--|--|--|
| <div>2.1</div> <div>CeLink</div> <div>Creditor's Name</div> <div>P O Box 40724</div> <div>Number Street</div> <div>Lansing MI 48901</div> <div>City State ZIP Code</div>  | <div>Describe the property that secures the claim:</div> <div>Single Family Residence, Lake Arrowhead, CA</div> <div>As of the date you file, the claim is: Check all that apply.</div> <div><input type="checkbox"/> Contingent</div> <div><input type="checkbox"/> Unliquidated</div> <div><input type="checkbox"/> Disputed</div> <div>Nature of lien. Check all that apply.</div> <div><input checked="" type="checkbox"/> An agreement you made (such as mortgage or secured car loan)</div> <div><input type="checkbox"/> Statutory lien (such as tax lien, mechanic's lien)</div> <div><input type="checkbox"/> Judgment lien from a lawsuit</div> <div><input type="checkbox"/> Other (including a right to offset) _____</div> <div>Last 4 digits of account number 9 0 8 4</div> <div>Describe the property that secures the claim:</div> <div>As of the date you file, the claim is: Check all that apply.</div> <div><input type="checkbox"/> Contingent</div> <div><input type="checkbox"/> Unliquidated</div> <div><input type="checkbox"/> Disputed</div> <div>Nature of lien. Check all that apply.</div> <div><input type="checkbox"/> An agreement you made (such as mortgage or secured car loan)</div> <div><input type="checkbox"/> Statutory lien (such as tax lien, mechanic's lien)</div> <div><input type="checkbox"/> Judgment lien from a lawsuit</div> <div><input type="checkbox"/> Other (including a right to offset) _____</div> <div>Last 4 digits of account number _____</div> <div>Describe the property that secures the claim:</div> | \$ 530,000.00  | \$ 650,000.00  | \$ _____                                   |
| <div>Who owes the debt? Check one.</div> <div><input checked="" type="checkbox"/> Debtor 1 only</div> <div><input type="checkbox"/> Debtor 2 only</div> <div><input type="checkbox"/> Debtor 1 and Debtor 2 only</div> <div><input type="checkbox"/> At least one of the debtors and another</div> <div><input type="checkbox"/> Check if this claim relates to a community debt</div> <div>Date debt was incurred 12/15/2013</div> <div>2.2</div> <div>Creditor's Name</div> <div>Number Street</div> <div>City State ZIP Code</div> <div>Who owes the debt? Check one.</div> <div><input type="checkbox"/> Debtor 1 only</div> <div><input type="checkbox"/> Debtor 2 only</div> <div><input type="checkbox"/> Debtor 1 and Debtor 2 only</div> <div><input type="checkbox"/> At least one of the debtors and another</div> <div><input type="checkbox"/> Check if this claim relates to a community debt</div> <div>Date debt was incurred _____</div> <div>Add the dollar value of your entries in Column A on this page. Write that number here:</div> |  |  |  |  |

# Exhibit 1

Debtor 1

Douglas Craig Woodard

First Name Middle Name Last Name

**Part 1:****Additional Page**

After listing any entries on this page, number them beginning with 2.3, followed by 2.4, and so forth.

Column A

Amount of claim  
Do not deduct the  
value of collateral.

Column B

Value of collateral  
that supports this  
claim

Column C

Unsecured  
portion  
if any

Describe the property that secures the claim:

\$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

Creditor's Name

Number Street

City State ZIP Code

As of the date you file, the claim is: Check all that apply.

- ☐ Contingent  
☐ Unliquidated  
☐ Disputed

Nature of lien. Check all that apply.

- ☐ An agreement you made (such as mortgage or secured car loan)  
☐ Statutory lien (such as tax lien, mechanic's lien)  
☐ Judgment lien from a lawsuit  
☐ Other (including a right to offset) \_\_\_\_\_

Who owes the debt? Check one.

- ☐ Debtor 1 only  
☐ Debtor 2 only  
☐ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another  
☐ Check if this claim relates to a community debt

Date debt was incurred \_\_\_\_\_

Last 4 digits of account number \_\_\_\_\_

Describe the property that secures the claim:

\$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

Creditor's Name

Number Street

City State ZIP Code

As of the date you file, the claim is: Check all that apply.

- ☐ Contingent  
☐ Unliquidated  
☐ Disputed

Nature of lien. Check all that apply.

- ☐ An agreement you made (such as mortgage or secured car loan)  
☐ Statutory lien (such as tax lien, mechanic's lien)  
☐ Judgment lien from a lawsuit  
☐ Other (including a right to offset) \_\_\_\_\_

Who owes the debt? Check one.

- Debtor 1 only  
 Debtor 2 only  
 Debtor 1 and Debtor 2 only  
 At least one of the debtors and another

- ☐ Check if this claim relates to a community debt

Date debt was incurred \_\_\_\_\_

Last 4 digits of account number \_\_\_\_\_

Describe the property that secures the claim:

\$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

Creditor's Name

Number Street

City State ZIP Code

As of the date you file, the claim is: Check all that apply.

- ☐ Contingent  
☐ Unliquidated  
☐ Disputed

Nature of lien. Check all that apply.

- ☐ An agreement you made (such as mortgage or secured car loan)  
☐ Statutory lien (such as tax lien, mechanic's lien)  
☐ Judgment lien from a lawsuit  
☐ Other (including a right to offset) \_\_\_\_\_

Who owes the debt? Check one.

- Debtor 1 only  
 Debtor 2 only  
 Debtor 1 and Debtor 2 only  
 At least one of the debtors and another

- ☐ Check if this claim relates to a community debt

Date debt was incurred \_\_\_\_\_

Last 4 digits of account number \_\_\_\_\_

Add the dollar value of your entries in Column A on this page. Write that number here: \$ 530,000.00

If this is the last page of your form, add the dollar value totals from all pages.  
Write that number here:

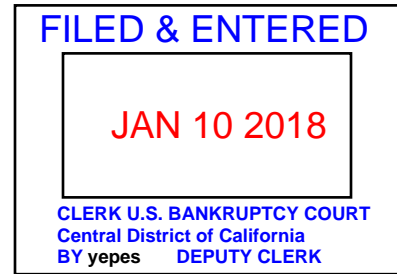
\$ 530,000.00

**Exhibit 1**

## **EXHIBIT 2**

Leonard M. Shulman - Bar No. 126349  
Melissa Davis Lowe - Bar No. 245521  
**SHULMAN HODGES & BASTIAN LLP**  
100 Spectrum Center Drive, Suite 600  
Irvine, California 92618  
Telephone: (949) 340-3400  
Facsimile: (949) 340-3000  
Email: LShulman@shblp.com  
MLowe@shblp.com

Attorneys for Karl Anderson,  
Chapter 7 Trustee



**UNITED STATES BANKRUPTCY COURT**  
**CENTRAL DISTRICT OF CALIFORNIA, RIVERSIDE DIVISION**

In re

**DOUGLAS CRAIG WOODARD,**

Debtor.

Case No. 6:17-bk-17512-MJ

Chapter 7

**ORDER HOLDING DEBTOR IN  
CONTEMPT AND JUDGMENT FOR  
SANCTIONS AGAINST DEBTOR**

Hearing:

Date: January 9, 2018

Time: 11:00 a.m.

Ctrm.: 301

Place: 3420 Twelfth Street  
Riverside, CA 92501

The hearing on the Order to Show Cause Why Debtor Should Not Be Held in Contempt and Sanctioned for Violation of Court Order (docket 33) ("OSC") was held on January 9, 2018, the Honorable Meredith Jury, United States Bankruptcy Judge presiding. Melissa Lowe appeared on behalf of Karl T. Anderson, the Chapter 7 trustee ("Trustee") for the bankruptcy estate of Douglas Craig Woodard ("Debtor"). No other appearances were made.

The OSC directed the Debtor to show cause why he should not be held in contempt of this Court by filing a written explanation on or before December 27, 2017. The Debtor did not file any written explanation.

**Exhibit 2**

**FINDINGS OF FACT, ORDER ON OSC RE CONTEMPT, AND JUDGMENT**

1  
2 1. The Court has considered the OSC and the related Notice of Motion and Motion for  
3 Order to Show Cause Why Debtor Should Not Be Held in Contempt and Sanctioned For Violation  
4 of Court Order (docket 29) ("Motion for OSC") and all declarations, exhibits, memorandum of  
5 points and authorities, and requests for judicial notice filed in support thereof.

6 2. The Court finds that the Debtor did not meet his burden to show why he should not  
7 be held in contempt and sanctioned.

8 3. The Court also finds based on the proofs of service filed in the records of this Court  
9 that the Order Granting Chapter 7 Trustee's Motion to Compel the Debtor to Appear at the 341(a)  
10 Meeting of Creditors and to Allow Inspection of Real Property (docket 22) ("Compel Order"), the  
11 Motion for OSC and the OSC were properly served on the Debtor.

12 Based on these findings of fact and for the reasons as stated on the record, and for good  
13 cause appearing,

14 **IT IS HEREBY ORDERED, ADJUDICATED, AND DECREED** that Douglas Craig  
15 Woodard is found to be in Contempt of this Court's orders and authority for failing to comply with  
16 the terms of the Compel Order. Judgment for sanctions against the Debtor and in favor of the  
17 Trustee are awarded in the amount of \$3,315.00. The Debtor shall pay sanctions to the Trustee's  
18 counsel, Shulman Hodges & Bastian LLP, in the amount of Three Thousand Three Hundred  
19 Fifteen Dollars (\$3,315.00) by no later than thirty (30) calendar days after entry of this Order.

20 **IT IS FURTHER ORDERED, ADJUDICATED, AND DECREED** that the Debtor and  
21 all occupants shall vacate the property located at 225 Birchwood Drive, Lake Arrowhead, CA  
22 ("Property") by no later than thirty (30) calendar days after entry of this Order. Vacating the  
23 Property shall mean: (i) the Debtor and all occupants shall vacate the Property; and (ii) all keys  
24 and remotes used to access the Property shall be turned over to the Trustee or the Trustee's agent.  
25 If the Debtor fails to do so, he shall be fined and pay compensatory damages to the Trustee in the  
26 amount of One Hundred Dollars (\$100.00) per day until he vacates the Property.

27 **IT IS HEREBY ORDERED, ADJUDICATED, AND DECREED** that if the Debtor or  
28 any occupants of the Property fail to vacate the Property as required by this Order, any

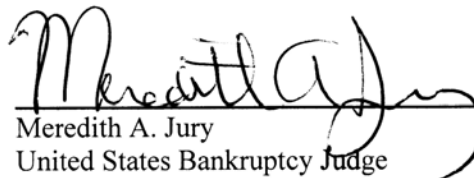
**Exhibit 2**



1 appropriate law enforcement officer, including the United States Marshal, county Sheriff or other  
2 appropriate law enforcement officer, is authorized to immediately evict all occupants of the  
3 Property and no further order is required to be filed or obtained with this Court or be shown to the  
4 law enforcement officer. The Trustee or his counsel only need to provide the law enforcement  
5 officer with a copy of this entered Order for the law enforcement officer to be ordered and directed  
6 to evict the Debtor and all occupants of the Property. In such event, the Trustee is further  
7 authorized to take possession and control of the Property by changing all locks, if necessary.

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26 Date: January 10, 2018

  
Meredith A. Jury  
United States Bankruptcy Judge

# **EXHIBIT 3**



*First American Title*

## **First American Title Company**

**4 First American Way  
Santa Ana, CA 92707**

California Department of Insurance License No. 151

Order Number: O-SA-5569074 (dt)

Title Officer: Debbie Tognetti  
Phone: (714)250-8579  
Fax No.: (714)481-2956  
E-Mail: FAHQ-RA-octitle3@firstam.com  
Property: 225 Birchwood Drive  
Lake Arrowhead, CA 92352

### **PRELIMINARY REPORT**

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

**Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.**

**It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.**

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

## **Exhibit 3**

*First American Title*

Page 1 of 16

Dated as of October 06, 2017 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

ALTA/CLTA Homeowner's (EAGLE) Policy of Title Insurance (2010) and ALTA Ext Loan Policy 1056.06 (06-17-06) if the land described is an improved residential lot or condominium unit on which there is located a one-to-four family residence; or ALTA Standard Owner's Policy 2006 (WRE 06-17-06) and the ALTA Loan Policy 2006 (06-17-06) if the land described is an unimproved residential lot or condominium unit

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

Douglas C. Woodard, an unmarried man

The estate or interest in the land hereinafter described or referred to covered by this Report is:

FEE

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2017-2018.

|                     |                   |
|---------------------|-------------------|
| First Installment:  | \$5,007.76, OPEN  |
| Penalty:            | \$0.00            |
| Second Installment: | \$5,007.74, OPEN  |
| Penalty:            | \$0.00            |
| Tax Rate Area:      | 105017            |
| A. P. No.:          | 0333-882-29-0-000 |
2. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

## Exhibit 3

*First American Title*

Page 2 of 16

3. The Owner's Certificate shown on the map as referred to in the legal description recites, in part:

"We also hereby grant to the County of San Bernardino, the privilege and right to extend and maintain drainage structures, 1-1/2 to 1 excavation slopes, and 1-1/2 to 1 embankment slopes upon all of those certain lot areas where said slopes or embankments or drainage structures extend beyond the limits of the dedicated rights of way included within said Tract, wherever required for the construction and maintenance of road beds occupying the full width of said portions; also the privilege and right to plant and maintain grass, plants, and/or trees on said slopes for soil erosion protection of same."

The location of the easement cannot be determined from record information.

4. Any and all offers of dedications, conditions, restrictions, easements, notes and/or provisions shown or disclosed by the filed or recorded map referred to in the legal description including but not limited to: PUBLIC UTILITIES, AERIAL, SEWER, PRIVATE ROAD and incidental purposes affecting said land.
5. Covenants, conditions, restrictions and easements in the document recorded as [BOOK 7019, PAGE 860](#) of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition, or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in California Government Code § 12955(p)) or ancestry, to the extent such covenants, conditions or restrictions violation 42 U.S.C. § 3604(c) or California Government Code § 12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Document(s) declaring modifications thereof recorded December 15, 2010 as INSTRUMENT NO. [2010-0531609](#) of Official Records.

6. An easement for PRIVATE ROADS, PUBLIC UTILITIES AND SEWER and incidental purposes in the document recorded May 02, 1968 as [BOOK 7019, PAGE 869](#) of Official Records.
7. An easement for EITHER OR BOTH POLE LINES, CONDUITS and incidental purposes in the document recorded August 28, 1968 as [BOOK 7085, PAGE 111](#) AND RE-RECORDED JANUARY 15, 1969 IN [BOOK 7166, PAGE 39](#), BOTH of Official Records.
8. An easement for PIPE LINES and incidental purposes in the document recorded January 22, 1969 as [BOOK 7169, PAGE 330](#) of Official Records.

The location of the easement cannot be determined from record information.

9. An easement for ABOVE GROUND OR UNDERGROUND CONDUITS OR BOTH and incidental purposes in the document recorded December 16, 1969 as [BOOK 7354, PAGE 474](#) of Official Records.
10. The terms and provisions contained in the document entitled ENCROACHMENT PERMIT, executed by and between LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT, A PUBLIC AGENCY and DOUGLAS C. WOODARD AND MARGARETTE M. WOODARD, TRUSTEES OF THE WOODARD FAMILY TRUST DATED JULY 20, 1990, recorded December 27, 2001, as Instrument No. [20010593513](#) of Official Records.

## Exhibit 3

*First American Title*

Page 3 of 16

11. A deed of trust to secure an original indebtedness of \$938,250.00 recorded December 26, 2013 as INSTRUMENT NO. [2013-0549238](#) OF OFFICIAL RECORDS.

Dated: December 18, 2013  
Trustor: DOUGLAS C. WOODARD, AN UNMARRIED MAN  
Trustee: QUALITY LOAN SERVICE CORPORATION  
Beneficiary: MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC.  
SOLELY AS NOMINEE FOR  
LENDER: NATIONSTAR MORTGAGE, LLC, DBA GREENLIGHT LOANS

According to the public records, the beneficial interest under the deed of trust was assigned to URBAN FINANCIAL OF AMERICA, LLC by assignment recorded May 13, 2015 as INSTRUMENT NO. [2015-0198121](#) OF OFFICIAL RECORDS.

A document recorded July 05, 2016 as INSTRUMENT NO. [2016-0263250](#) OF OFFICIAL RECORDS provides that QUALITY LOAN SERVICE CORPORATION was substituted as trustee under the deed of trust.

A notice of default recorded April 14, 2017 as INSTRUMENT NO. [2017-0154850](#) OF OFFICIAL RECORDS.

A notice of trustee's sale recorded July 20, 2017 as INSTRUMENT NO. [2017-0295146](#) OF OFFICIAL RECORDS.

12. A deed of trust to secure an original indebtedness of \$938,250.00 recorded December 26, 2013 as INSTRUMENT NO. [2013-0549239](#) OF OFFICIAL RECORDS.

Dated: December 18, 2013  
Trustor: DOUGLAS C. WOODARD, AN UNMARRIED MAN  
Trustee: THE SENIOR OFFICIAL WITH RESPONSIBILITY FOR SINGLE  
FAMILY MORTGAGE INSURANCE PROGRAMS IN THE  
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
FIELD OFFICE WITH JURISDICTION OVER THE PROPERTY  
DESCRIBED BELOW, OR A DESIGNEE OF THAT OFFICIAL  
Beneficiary: SECRETARY OF THE U.S. DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT

13. Lien for DELINQUENT WATER BILLS, PENALTY AND INTEREST in favor of LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT

Against: DOUGLAS & MARGARET WOODARD  
Amount: \$574.75  
Recorded: July 29, 2014 as INSTRUMENT NO. [2014-0273522](#) OF OFFICIAL RECORDS.

14. Lien for PAYMENT OF THE DELINQUENT SOLID WASTE COLLECTION CHARGES in favor of SOLID WASTE MANAGEMENT DIVISION, DEPARTMENT OF PUBLIC WORKS, COUNTY OF SAN BERNARDINO

Against: WOODARD, DOUGLAS CA  
Amount: \$394.04  
Recorded: September 07, 2017 as INSTRUMENT NO. [2017-0367411](#) OF OFFICIAL RECORDS.

## Exhibit 3

*First American Title*

15. Any defects, liens, encumbrances or other matters which name parties with the same or similar names as DOUGLAS C. WOODARD. The name search necessary to ascertain the existence of such matters has not been completed. In order to complete this preliminary report or commitment, we will require a statement of information.
16. Rights of the public in and to that portion of the land lying within any Road, Street, Alley or Highway.
17. Water rights, claims or title to water, whether or not shown by the public records.

## **Exhibit 3**

*First American Title*

|                            |
|----------------------------|
| <b>INFORMATIONAL NOTES</b> |
|----------------------------|

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. This report is preparatory to the issuance of an ALTA Loan Policy. We have no knowledge of any fact which would preclude the issuance of the policy with CLTA endorsement forms 100 and 116 and if applicable, 115 and 116.2 attached.

When issued, the CLTA endorsement form 116 or 116.2, if applicable will reference a(n) Single Family Residence known as 225 BIRCHWOOD DRIVE, LAKE ARROWHEAD, CA.

2. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None

NOTE to proposed insured lender only: No Private transfer fee covenant, as defined in Federal Housing Finance Agency Final Rule 12 CFR Part 1228, that was created and first appears in the Public Records on or after February 8, 2011, encumbers the Title except as follows: None

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.



### **LEGAL DESCRIPTION**

Real property in the unincorporated area of the County of San Bernardino, State of California, described as follows:

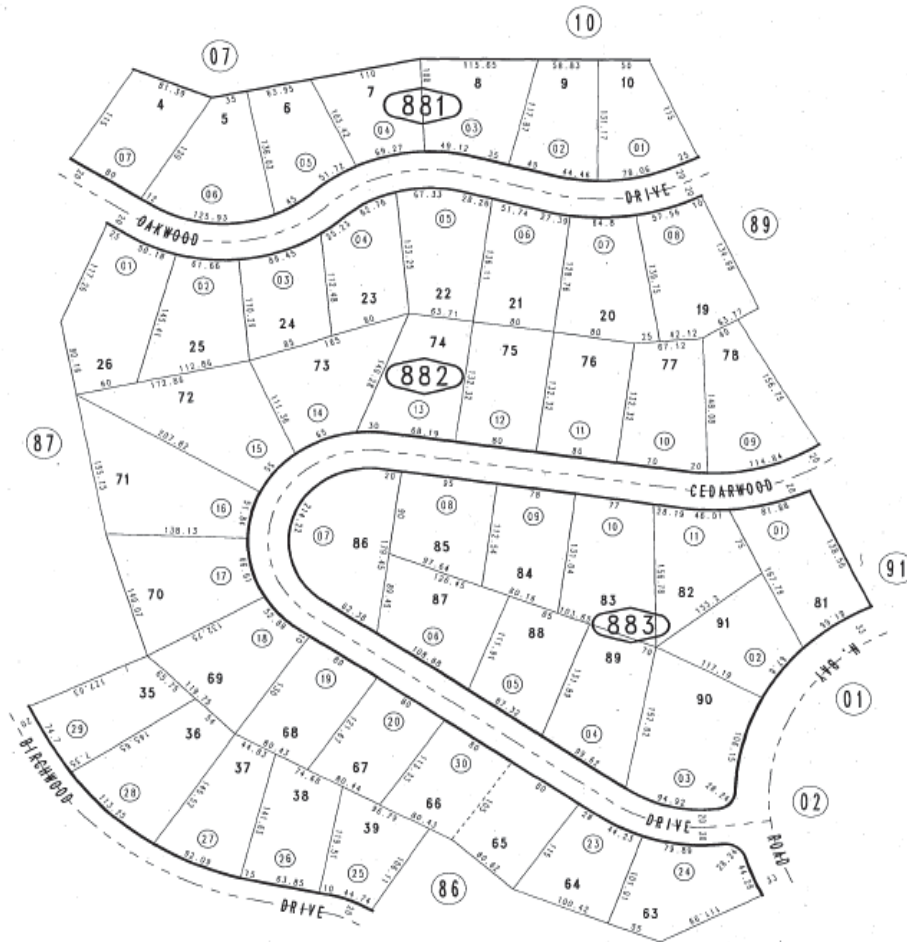
LOT 35, TRACT NO. 7891, ARROWHEAD WOODS TRACT NO. 113, AS PER PLAT RECORDED IN [BOOK 101 OF MAPS, PAGES 20 TO 26](#), INCLUSIVE, RECORDS OF SAID COUNTY.

[APN](#): 0333-882-29-0-000

April 2005



THIS MAP IS FOR THE PURPOSE  
OF AS VALUING TAXATION ONLY.



Ptn. Tract No. 7891, M.B. 101/20-26  
Arrowhead Woods Tract No. 113

Rim of The World Unified 0333-88  
Tax Rate Area  
105017

Assessor's Map  
Book 0333 Page 88  
San Bernardino County

REVISED  
06/21/13 SW



## Exhibit 3

First American Title

***NOTICE***

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

**Exhibit 3**

*First American Title*

Page 9 of 16

## INCOMING DOMESTIC WIRE INSTRUCTIONS

**Beware of cyber-crime!** If you receive an e-mail or any other communication that appears to be generated from a First American Title Company employee that contains new, revised or altered bank wire instructions, consider it suspect and call our office at a number you trust.

### **\*\* Our Wire Instructions Do Not Change. \*\***

**Funds from other than buyer or seller:** Other than funds from a designated lender, real estate agent or broker, or the attorney of record, we will only accept incoming wires that are from the buyer or seller on a transaction. Other third party deposits not accompanied by appropriate instructions will be returned to the remitter.

**Funds from a U.S. Bank:** Funds should be wired from a bank within the United States. Notify our office at (714)250-3000 when you have transmitted your wire.

**Funds from a non-U.S. Bank:** If your funds are being wired from a non-U.S. bank, additional charges may apply. Contact our office for Incoming International Wiring Instructions.

**ACH Transfers are NOT wire transfers:** An ACH transfer is not immediately available funds and requires additional time for clearance. An ACH transfer cannot be accepted for an imminent closing. Acceptance of ACH transfers are subject to state law. Contact our office at (714)250-3000 prior to sending funds by ACH transfer.

Contact our office at (714)250-3000 when funds are sent.

|                |   |
|----------------|---|
| PAYABLE TO:    | First American Title Company              |
| BANK:          | First American Trust, FSB                 |
| ADDRESS        | 5 First American Way, Santa Ana, CA 92707 |
| ACCOUNT NO.:   | 3012500000                                |
| ROUTING NUMBER | 122241255                                 |

PLEASE REFERENCE THE FOLLOWING:  
PROPERTY: 225 Birchwood Drive, Lake Arrowhead, CA 92352  
FILE NUMBER: O-SA-5569074

**WIRES MAY BE RETURNED IF THE FILE NUMBER  
AND PROPERTY REFERENCE ARE NOT INCLUDED**

## Exhibit 3

**EXHIBIT A**  
**LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)**

**CLTA STANDARD COVERAGE POLICY – 1990**  
**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)**  
**EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
  - a. building;
  - b. zoning;
  - c. land use;

**Exhibit 3**

*First American Title*

- d. improvements on the Land;
- e. land division; and
- f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

- 2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
- 3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
- 4. Risks:
  - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
  - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
  - c. that result in no loss to You; or
  - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
- 5. Failure to pay value for Your Title.
- 6. Lack of a right:
  - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
  - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
- 7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
- 8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
- 9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

#### **LIMITATIONS ON COVERED RISKS**

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

|                  | <u>Your Deductible Amount</u>   | <u>Our Maximum Dollar Limit of Liability</u> |
|------------------|---|--|
| Covered Risk 16: | 1% of Policy Amount Shown in Schedule A or \$2,500<br>(whichever is less) | \$10,000                                     |
| Covered Risk 18: | 1% of Policy Amount Shown in Schedule A or \$5,000<br>(whichever is less) | \$25,000                                     |
| Covered Risk 19: | 1% of Policy Amount Shown in Schedule A or \$5,000<br>(whichever is less) | \$25,000                                     |
| Covered Risk 21: | 1% of Policy Amount Shown in Schedule A or \$2,500<br>(whichever is less) | \$5,000                                      |

#### **2006 ALTA LOAN POLICY (06-17-06)**

##### **EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

- 1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.

- 2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- 3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

# **Exhibit 3**

*First American Title*

- (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
  5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
  6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
    - (a) a fraudulent conveyance or fraudulent transfer, or
    - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
  7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

#### EXCEPTIONS FROM COVERAGE

[Except as provided in Schedule B - Part II, [t[or T]his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

##### [PART I

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

##### PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:]

#### 2006 ALTA OWNER'S POLICY (06-17-06)

##### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

## Exhibit 3

- (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 or 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
- (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

#### EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of: [The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

- 1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- 2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
- 3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- 4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
- 5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
- 6. Any lien or right to a lien for services, labor or material not shown by the Public Records.
- 7. [Variable exceptions such as taxes, easements, CC&R's, etc. shown here.]

#### ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)

#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

- 1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

- 2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- 3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
- 4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
- 5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
- 6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the

**Exhibit 3**

*First American Title*



Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

## Exhibit 3

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## First American Title

### Privacy Information

#### We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

#### Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

#### Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

#### Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

#### Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

#### Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

#### Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet. In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site. There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

#### Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

#### Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive. [FirstAm.com](http://FirstAm.com) uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

#### Fair Information Values

**Fairness** We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

**Public Record** We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

**Use** We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

**Accuracy** We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

**Education** We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

**Security** We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

# **EXHIBIT 4**



CALIFORNIA  
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SELLER COUNTER OFFER No. ONE

May not be used as a multiple counter offer.

(C.A.R. Form SCO, 11/14)

In re Woodard, Douglas Chapter 7 Bk. #6:17-17512 MW

Date November 16, 2018

This is a counter offer to the: ☒ California Residential Purchase Agreement, ☐ Buyer Counter Offer No. \_\_\_\_\_, or ☐ Other \_\_\_\_\_ ("Offer"),  
date November 9, 2018, on property known as 225 Birchwood Drive, Lake Arrowhead, CA 92352 ("Property"),  
between Robert Dickinson/Michael Marler ("Buyer") and Karl Anderson, Chap. 7 Trustee ("Seller").

1. **TERMS:** The terms and conditions of the above referenced document are accepted subject to the following:
- Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer or an addendum.
  - Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
  - OTHER TERMS:** 1. Seller of subject property is Karl Anderson, in his capacity as Chapter 7 Bankruptcy Trustee In re Woodard 17-17512 MW.
  - Property is being sold in AS IS condition with no expressed/implicit warranties.
  - Sale subject to Bankruptcy Court approval and overbid.
  - Purchase price includes personal property, as listed on Addendum (marked "Furnishings") to original offer.
  - Escrow to be with Ambergate Escrow, Riverside. Title insurance with First American.
  - Seller is exempt from supplying any disclosures in his capacity as the Trustee.  
Letter of exemption will be supplied upon request

D. The following attached addenda are incorporated into this Seller Counter offer: ☐ Addendum No. \_\_\_\_\_  
☐ \_\_\_\_\_

2. **EXPIRATION:** This Seller Counter Offer shall be deemed revoked and the deposits, if any, shall be returned:
- Unless by 5:00pm on the third Day After the date it is signed in paragraph 3 (if more than one signature then, the last signature date) (or by ☐ AM ☐ PM on \_\_\_\_\_ (date)) (i) it is signed in paragraph 4 by Buyer and (ii) a copy of the signed Seller Counter Offer is personally received by Seller or \_\_\_\_\_, who is authorized to receive it.
- OR B. If Seller withdraws it in writing (CAR Form WOO) anytime prior to Acceptance.

3. **OFFER: SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.**

Seller see page two of two Date \_\_\_\_\_  
Seller \_\_\_\_\_ Date \_\_\_\_\_

4. **ACCEPTANCE:** I/WE accept the above Seller Counter Offer (If checked ☐ SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.
- Buyer \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_ AM/PM  
Buyer \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_ AM/PM

**CONFIRMATION OF ACCEPTANCE:**

(\_\_\_\_\_/\_\_\_\_\_) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Seller, or Seller's authorized agent as specified in paragraph 2A on (date) \_\_\_\_\_ at \_\_\_\_\_ AM/PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Seller or Seller's authorized agent whether or not confirmed in this document.

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**Exhibit 4**

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_





CALIFORNIA  
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Main Document

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SELLER COUNTER OFFER No. ONE

May not be used as a multiple counter offer.

(C.A.R. Form SCO, 11/14)

In re Woodard, Douglas Chapter 7 Bk. #6:17-17512 MW

Date November 15, 2018

This is a counter offer to the: ☒ California Residential Purchase Agreement, ☐ Buyer Counter Offer No. \_\_\_\_\_, or ☐ Other \_\_\_\_\_ ("Offer"), dated November 9, 2018, on property known as 225 Birchwood Dr., Lake Arrowhead, CA 92352 ("Property"), between Robert Dickinson/Michael Marler ("Buyer") and Karl Anderson, Chapter 7 Trustee ("Seller").

1. **TERMS:** The terms and conditions of the above referenced document are accepted subject to the following:

- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer or an addendum.
- B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.

C. **OTHER TERMS:** 7. Commission rate payable at close of escrow to be 5%, payable 2.5%

to Mountain Country Realty, 1.25% to Barnett Real Estate and 1.25% to Richard

Halderman Jr.

8. Seller will not provide termite report, smoke or carbon monoxide detectors.

9. Seller does not accept page eight, paragraphs 21 & 22.

D. The following attached addenda are incorporated into this Seller Counter offer: ☐ Addendum No. \_\_\_\_\_

☐ \_\_\_\_\_

2. **EXPIRATION:** This Seller Counter Offer shall be deemed revoked and the deposits, if any, shall be returned:

- A. Unless by 5:00pm on the third Day After the date it is signed in paragraph 3 (if more than one signature then, the last signature date) or by ☐ AM ☐ PM on \_\_\_\_\_ (date) (i) it is signed in paragraph 4 by Buyer and (ii) a copy of the signed Seller Counter Offer is personally received by Seller or Barnett Real Estate, who is authorized to receive it.

OR B. If Seller withdraws it in writing (CAR Form WOO) anytime prior to Acceptance.

3. **OFFER: SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.**

☒ Seller Karl Anderson, Chapter 7 Trustee Date 11/15/2018

Date

4. **ACCEPTANCE:** I/WE accept the above Seller Counter Offer (if checked ☐ SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.

Buyer \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_ AM/PM

Buyer \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_ AM/PM

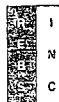
#### CONFIRMATION OF ACCEPTANCE:

(\_\_\_\_\_/\_\_\_\_\_) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Seller, or Seller's authorized agent as specified in paragraph 2A on (date) \_\_\_\_\_ at \_\_\_\_\_ AM/PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Seller or Seller's authorized agent whether or not confirmed in this document.

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## Exhibit 4

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



EQUAL HOUSING  
OPPORTUNITY





**CALIFORNIA  
RESIDENTIAL PURCHASE AGREEMENT  
AND JOINT ESCROW INSTRUCTIONS**  
(C.A.R. Form RPA-CA, Revised 12/15 )

Date Prepared: 11/09/2018

1. OFFER:

- A. THIS IS AN OFFER FROM Robert Dickinson, Michael Marler ("Buyer").  
 B. THE REAL PROPERTY to be acquired is 225 Birchwood Drive, Lake Arrowhead, CA 92352, situated in Lake Arrowhead (City), San Bernardino (County), California, 92352 (Zip Code), Assessor's Parcel No. 0333-882-29 ("Property").  
 C. THE PURCHASE PRICE offered is Nine Hundred Five Thousand

D. CLOSE OF ESCROW shall occur on \_\_\_\_\_ (date) (or ☒ 30 Days After Acceptance), Dollars \$ 905,000.00

E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:

- A. **DISCLOSURE:** The Parties each acknowledge receipt of a ☒ "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).
- B. **CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:  
Listing Agent Barnett Real Estate (Print Firm Name) is the agent of (check one):  
☒ the Seller exclusively; or ☐ both the Buyer and Seller.  
Selling Agent Mountain Country Realty, Inc. (Print Firm Name) (if not the same as the Listing Agent) is the agent of (check one): ☒ the Buyer exclusively; or ☐ the Seller exclusively; or ☐ both the Buyer and Seller.
- C. **POTENTIALLY COMPETING BUYERS AND SELLERS:** The Parties each acknowledge receipt of a ☒ "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).

3. **FINANCE TERMS:** Buyer represents that funds will be good when deposited with Escrow Holder.

- A. INITIAL DEPOSIT: Deposit shall be in the amount of \$ 27,150.00
- (1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, ☐ cashier's check, ☐ personal check, ☐ other \_\_\_\_\_ within 3 business days after Acceptance (or \_\_\_\_\_);

OR (2) ☐ Buyer Deposit with Agent: Buyer has given the deposit by personal check (or \_\_\_\_\_) to the agent submitting the offer (or to \_\_\_\_\_), made payable to \_\_\_\_\_. The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or \_\_\_\_\_). Deposit checks given to agent shall be an original signed check and not a copy.

(Note: Initial and increased deposits checks received by agent shall be recorded in Broker's trust fund log.)

- B. **INCREASED DEPOSIT:** Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ \_\_\_\_\_ within \_\_\_\_\_ Days After Acceptance (or \_\_\_\_\_).  
If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.

- C. ☐ **ALL CASH OFFER:** No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or ☐ Buyer shall, within 3 (or \_\_\_\_\_) Days After Acceptance, Deliver to Seller such verification.

D. LOAN(S):

- (1) **FIRST LOAN:** in the amount of \_\_\_\_\_ \$ 605,000.00  
 This loan will be conventional financing or ☐ FHA, ☐ VA, ☐ Seller financing (C.A.R. Form SFA),  
☐ assumed financing (C.A.R. Form AFA), ☐ Other \_\_\_\_\_. This loan shall be at a fixed  
 rate not to exceed \_\_\_\_\_% or, ☐ an adjustable rate loan with initial rate not to exceed \_\_\_\_\_%.  
 Regardless of the type of loan, Buyer shall pay points not to exceed \_\_\_\_\_% of the loan amount.
- (2) ☐ **SECOND LOAN** in the amount of \_\_\_\_\_ \$ \_\_\_\_\_  
 This loan will be conventional financing or ☐ Seller financing (C.A.R. Form SFA), ☐ assumed  
 financing (C.A.R. Form AFA), ☐ Other \_\_\_\_\_. This loan shall be at a fixed rate not to  
 exceed \_\_\_\_\_% or, ☐ an adjustable rate loan with initial rate not to exceed \_\_\_\_\_%. Regardless of  
 the type of loan, Buyer shall pay points not to exceed \_\_\_\_\_% of the loan amount.
- (3) **FHA/VA:** For any FHA or VA loan specified in 3D(1), Buyer has 17 (or \_\_\_\_\_) Days After Acceptance  
 to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that  
 Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender  
 requirements unless agreed in writing. A FHA/VA amendatory clause (C.A.R. Form FVAC) shall be a  
 part of this Agreement.

**E. ADDITIONAL FINANCING TERMS:**

- F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$ 272,850.00  
to be deposited with Escrow Holder pursuant to Escrow Holder instructions.
- G. PURCHASE PRICE (TOTAL): \$ 905,000.00

Buyer's Initials

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 1 OF 10)

Mtn Country Realty, Inc., PO Box 420 Lake Arrowhead CA 92352-0420  
Keith Binkley Produced with zipForm®

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Phone 310-413-8589

Fax: 909-337-2618

225 Birchwood

## Exhibit 4



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Property Address: 225 Birchwood Drive, Lake Arrowhead, CA 92352

Date: November 9, 2018

- H. **VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS:** Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within 3 (or       ) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (☒ Verification attached.)
- I. **APPRAISAL CONTINGENCY AND REMOVAL:** This Agreement is (or ☐ is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 14B(3), in writing, remove the appraisal contingency or cancel this Agreement within 17 (or       ) Days After Acceptance.
- J. **LOAN TERMS:**
- (1) **LOAN APPLICATIONS:** Within 3 (or       ) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (☒ Letter attached.)
- (2) **LOAN CONTINGENCY:** Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.
- (3) **LOAN CONTINGENCY REMOVAL:**  
Within 21 (or       ) Days After Acceptance, Buyer shall, as specified in paragraph 14, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.
- (4) ☐ **NO LOAN CONTINGENCY:** Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.
- (5) **LENDER LIMITS ON BUYER CREDITS:** Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.
- K. **BUYER STATED FINANCING:** Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.
4. **SALE OF BUYER'S PROPERTY:**
- A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.
- OR B. ☐ This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).
5. **ADDENDA AND ADVISORIES:**
- A. **ADDENDA:**
- |   | Addendum # | (C.A.R. Form ADM)  |
|---|------------|--|
| <input type="checkbox"/> Back Up Offer Addendum (C.A.R. Form BUO)                       |            | <input type="checkbox"/> Court Confirmation Addendum (C.A.R. Form CCA) |
| <input type="checkbox"/> Septic, Well and Property Monument Addendum (C.A.R. Form SWPI) |            |  |
| <input type="checkbox"/> Short Sale Addendum (C.A.R. Form SSA)                          |            | <input type="checkbox"/> Other   |
- B. **BUYER AND SELLER ADVISORIES:**
- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA) |   |
| <input type="checkbox"/> Probate Advisory (C.A.R. Form PA)                        | <input type="checkbox"/> Statewide Buyer and Seller Advisory (C.A.R. Form SBSA) |
| <input type="checkbox"/> Trust Advisory (C.A.R. Form TA)                          | <input type="checkbox"/> REO Advisory (C.A.R. Form REO)                         |
| <input type="checkbox"/> Short Sale Information and Advisory (C.A.R. Form SSIA)   | <input type="checkbox"/> Other  |
6. **OTHER TERMS:** \_\_\_\_\_
7. **ALLOCATION OF COSTS**
- A. **INSPECTIONS, REPORTS AND CERTIFICATES:** Unless otherwise agreed in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.
- (1) ☐ Buyer ☒ Seller shall pay for a natural hazard zone disclosure report, including tax ☐ environmental ☐ Other: \_\_\_\_\_ prepared by Disclosure Source
- (2) ☐ Buyer ☒ Seller shall pay for the following Report Wood Destroying Pest / Termite Report prepared by Home Defenders @ 909-337-8623 and Seller Responsible for Section One Work
- (3) ☐ Buyer ☐ Seller shall pay for the following Report \_\_\_\_\_ prepared by \_\_\_\_\_

Buyer's Initials

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 2 OF 10)

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225 Birchwood



**SUBJECT TO  
COUNTER OFFER**

**Exhibit 4**



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Property Address: 225 Birchwood Drive, Lake Arrowhead, CA 92352

Date: November 9, 2018

**B. GOVERNMENT REQUIREMENTS AND RETROFIT:**

- (1) ☐ Buyer ☒ Seller shall pay for smoke alarm and carbon monoxide device installation and water heater bracing, if required by Law. Prior to Close Of Escrow ("COE"), Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless Seller is exempt.
- (2) (i) ☐ Buyer ☐ Seller shall pay the cost of compliance with any other minimum mandatory government inspections and reports if required as a condition of closing escrow under any Law.
- (ii) ☐ Buyer ☐ Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards required as a condition of closing escrow under any Law, whether the work is required to be completed before or after COE.
- (iii) Buyer shall be provided, within the time specified in paragraph 14A, a copy of any required government conducted or point-of-sale inspection report prepared pursuant to this Agreement or in anticipation of this sale of the Property.

**C. ESCROW AND TITLE:**

- (1) (a) ☒ Buyer ☒ Seller shall pay escrow fee Split Equally 50/50
- (b) Escrow Holder shall be Uptown Escrow w Catherine Figone @ 909-744-9100
- (c) The Parties shall, within 5 (or     ) Days After receipt, sign and return Escrow Holder's general provisions.
- (2) (a) ☐ Buyer ☒ Seller shall pay for owner's title insurance policy specified in paragraph 13E
- (b) Owner's title policy to be issued by Stewart Title with Jeremy Balthazor
- (Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

**D. OTHER COSTS:**

- (1) ☐ Buyer ☒ Seller shall pay County transfer tax or fee
- (2) ☐ Buyer ☐ Seller shall pay City transfer tax or fee
- (3) ☐ Buyer ☐ Seller shall pay Homeowners' Association ("HOA") transfer fee
- (4) Seller shall pay HOA fees for preparing documents required to be delivered by Civil Code §4525.
- (5) ☐ Buyer ☐ Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.
- (6) Buyer to pay for any HOA certification fee.
- (7) ☐ Buyer ☐ Seller shall pay for any private transfer fee
- (8) ☐ Buyer ☐ Seller shall pay for
- (9) ☐ Buyer ☐ Seller shall pay for
- (10) ☐ Buyer ☒ Seller shall pay for the cost, not to exceed \$ 775.00, of a standard (or ☐ upgraded) one-year home warranty plan, issued by Old Republic Home Protection w/ Lisa Masterson, with the following optional coverages: ☒ Air Conditioner ☐ Pool/Spa ☐ Other:
- Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.

OR ☐ Buyer waives the purchase of a home warranty plan. Nothing in this paragraph precludes Buyer's purchasing a home warranty plan during the term of this Agreement.

**8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:**

A. NOTE TO BUYER AND SELLER: Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in paragraph 8 B or C.

B. ITEMS INCLUDED IN SALE: Except as otherwise specified or disclosed,

- (1) All EXISTING fixtures and fittings that are attached to the Property;
- (2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar power systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water features and fountains, water softeners, water purifiers, security systems/alarms and the following if checked: ☒ all stove(s), except     ; ☒ all refrigerator(s) except     ; ☒ all washer(s) and dryer(s), except     ;
- (3) The following additional items:
- (4) Existing integrated phone and home automation systems, including necessary components such as intranet and Internet-connected hardware or devices, control units (other than non-dedicated mobile devices, electronics and computers) and applicable software, permissions, passwords, codes and access information, are (☐ are NOT) included in the sale.
- (5) LEASED OR LIENED ITEMS AND SYSTEMS: Seller shall, within the time specified in paragraph 14A, (i) disclose to Buyer if any item or system specified in paragraph 8B or otherwise included in the sale is leased, or not owned by Seller, or specifically subject to a lien or other encumbrance, and (ii) Deliver to Buyer all written materials (such as lease, warranty, etc.) concerning any such item. Buyer's ability to assume any such lease, or willingness to accept the Property subject to any such lien or encumbrance, is a contingency in favor of Buyer and Seller as specified in paragraph 14B and C.
- (6) Seller represents that all items included in the purchase price, unless otherwise specified, (i) are owned by Seller and shall be transferred free and clear of liens and encumbrances, except the items and systems identified pursuant to 8B(5) and     , and (ii) are transferred without Seller warranty regardless of value.

C. ITEMS EXCLUDED FROM SALE: Unless otherwise specified, the following items are excluded from the sale: audio/video components (such as flat screen TVs, speakers and other items) if any such item is not attached to the Property; (ii) furniture and other items not attached to the Property for earthquake purposes; and (iii)     

     Brackets attached to walls, floors or ceilings for any such component, furniture or item shall remain with the Property (or ☐ will be removed and holes or other damage shall be repaired, but not painted).

Buyer's Initials     

Seller's Initials     

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 3 OF 10)

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225 Birchwood



Exhibit 4



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Property Address: **225 Birchwood Drive, Lake Arrowhead, CA 92352**

Date: **November 9, 2018**

**9. CLOSING AND POSSESSION:**

- A. Buyer intends (or ☒ does not intend) to occupy the Property as Buyer's primary residence.
- B. **Seller-occupied or vacant property:** Possession shall be delivered to Buyer: (i) at 6 PM or ( ☐ AM/ ☐ PM ) on the date of Close Of Escrow; (ii) ☐ no later than ☐ calendar days after Close Of Escrow; or (iii) ☐ at ☐ AM/ ☐ PM on ☐.
- C. **Seller remaining in possession After Close Of Escrow:** If Seller has the right to remain in possession after Close Of Escrow, (i) the Parties are advised to sign a separate occupancy agreement such as ☐ C.A.R. Form SIP, for Seller continued occupancy of less than 30 days, ☐ C.A.R. Form RLAS for Seller continued occupancy of 30 days or more; and (ii) the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and (iii) Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.
- D. **Tenant-occupied property:** Property shall be vacant at least 5 (or ☐) Days Prior to Close Of Escrow, unless otherwise agreed in writing. **Note to Seller:** If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.

OR ☐ **Tenant to remain in possession (C.A.R. Form TIP).**

- E. At Close Of Escrow: Seller assigns to Buyer any assignable warranty rights for items included in the sale; and Seller shall Deliver to Buyer available Copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.
- F. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems and intranet and Internet-connected devices included in the purchase price, and garage door openers. If the Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

**10. STATUTORY AND OTHER DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:**

- A. (1) Seller shall, within the time specified in paragraph 14A, Deliver to Buyer: (i) if required by Law, a fully completed: Federal Lead-Based Paint Disclosures (C.A.R. Form FLD) and pamphlet ("Lead Disclosures"); and (ii) unless exempt, fully completed disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act of 1982 and Improvement Bond Act of 1915) and, if Seller has actual knowledge, of industrial use and military ordnance location (C.A.R. Form SPQ or ESD).
- (2) Any Statutory Disclosure required by this paragraph is considered fully completed if Seller has answered all questions and completed and signed the Seller section(s) and the Listing Agent, if any, has completed and signed the Listing Broker section(s), or, if applicable, an Agent Visual Inspection Disclosure (C.A.R. Form AVID). Nothing stated herein relieves a Buyer's Broker, if any, from the obligation to (i) conduct a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose, on Section IV of the TDS, or an AVID, material facts affecting the value or desirability of the Property that were or should have been revealed by such an inspection or (ii) complete any sections on all disclosures required to be completed by Buyer's Broker.
- (3) **Note to Buyer and Seller:** Waiver of Statutory and Lead Disclosures is prohibited by Law.
- (4) Within the time specified in paragraph 14A, (i) Seller, unless exempt from the obligation to provide a TDS, shall, complete and provide Buyer with a Seller Property Questionnaire (C.A.R. Form SPQ); (ii) if Seller is not required to provide a TDS, Seller shall complete and provide Buyer with an Exempt Seller Disclosure (C.A.R. Form ESD).
- (5) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory, Lead and other disclosures to Seller.
- (6) In the event Seller or Listing Broker, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies of which Buyer is otherwise aware, or which are disclosed in reports provided to or obtained by Buyer or ordered and paid for by Buyer.**
- (7) If any disclosure or notice specified in paragraph 10A(1), or subsequent or amended disclosure or notice is Delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After Delivery in person, or 5 Days After Delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent.
- B. **NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS:** Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet, and home energy rating pamphlet; (ii) disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; and Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
- C. **WITHHOLDING TAXES:** Within the time specified in paragraph 14A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).
- D. **MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at [www.meganslaw.ca.gov](http://www.meganslaw.ca.gov). Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)
- E. **NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible hazardous liquid pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is available at the ZIP Code and county on the NPMS Internet Web site.
- F. **CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:**
- (1) **SELLER HAS:** 7 (or ☐) Days After Acceptance to disclose to Buyer if the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form SPQ or ESD).

Buyer's Initials **(RD) (MM)**  
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Seller's Initials **(X)**



**CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 4 OF 10)**

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225 Birchwood

**Exhibit 4**



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Property Address: 225 Birchwood Drive, Lake Arrowhead, CA 92352

Date: November 9, 2018

(2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or     ) Days After Acceptance to request from the HOA (C.A.R. Form HOA1): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). (vi) private transfer fees; (vii) Pet fee restrictions; and (viii) smoking restrictions. Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3). The Party specified in paragraph 7, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.

11. **CONDITION OF PROPERTY:** Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.

A. Seller shall, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.

B. Buyer has the right to conduct Buyer Investigations of the Property and, as specified in paragraph 14B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.

C. Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.

12. **BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**

A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to: (i) a general physical inspection; (ii) an inspection specifically for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) inspect for lead-based paint and other lead-based paint hazards; (iv) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA); (v) review the registered sex offender database; (vi) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; and (vii) review and seek approval of leases that may need to be assumed by Buyer. Without Seller's prior written consent, Buyer shall neither make nor cause to be made: invasive or destructive Buyer Investigations, except for minimally invasive testing required to prepare a Pest Control Report; or inspections by any governmental building or zoning inspector or government employee, unless required by Law.

B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 14B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all such Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.

C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.

D. **Buyer indemnity and seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.

13. **TITLE AND VESTING:**

A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.

B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.

C. Within the time specified in paragraph 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.

D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights, and all other interests that Seller shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF CLOSING BEING OF NO SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.

Buyer's Initials

DS  
RD

DS  
MM

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Seller's Initials

DS  
MM

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 5 OF 10)

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225 Birchwood



**SUBJECT TO  
COUNTER OFFER**

**Exhibit 4**



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Property Address: 225 Birchwood Drive, Lake Arrowhead, CA 92352

Date: November 9, 2018

E. Buyer shall receive a CLTA/ALTA "Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. If not, Escrow Holder shall notify Buyer. A title company can provide information about the availability, coverage, and cost of other title policies and endorsements. If the Homeowner's Policy is not available, Buyer shall choose another policy, instruct Escrow Holder in writing and shall pay any increase in cost.

14. **TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS:** The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).

A. **SELLER HAS: 7 (or \_\_\_\_ ) Days After Acceptance** to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 5, 6, 7, 8B(5), 10A, B, C, and F, 11A and 13A. If, by the time specified, Seller has not Delivered any such item, Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement.

B. (1) **BUYER HAS: 17 (or \_\_\_\_ ) Days After Acceptance**, unless otherwise agreed in writing, to: (i) complete all Buyer Investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(5), and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory and Lead Disclosures and other disclosures Delivered by Seller in accordance with paragraph 10A.

(2) Within the time specified in paragraph 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.

(3) By the end of the time specified in paragraph 14B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 14A, then Buyer has 5 (or \_\_\_\_ ) Days After Delivery of any such items, or the time specified in paragraph 14B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.

(4) **Continuation of Contingency:** Even after the end of the time specified in paragraph 14B(1) and before Seller cancels, if at all, pursuant to paragraph 14D, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 14D(1).

(5) **Access to Property:** Buyer shall have access to the Property to conduct inspections and investigations for 17 (or \_\_\_\_ ) Days After Acceptance, whether or not any part of the Buyer's Investigation Contingency has been waived or removed.

C. ☐ **REMOVAL OF CONTINGENCIES WITH OFFER:** Buyer removes the contingencies specified in the attached Contingency Removal form (C.A.R. Form CR). If Buyer removes any contingency without an adequate understanding of the Property's condition or Buyer's ability to purchase, Buyer is acting against the advice of Broker.

D. **SELLER RIGHT TO CANCEL:**

(1) **Seller right to Cancel; Buyer Contingencies:** If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

(2) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A, or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3J(1); (iv) Deliver verification, or a satisfactory verification if Seller reasonably disapproves of the verification already provided, as required by paragraph 3C or 3H; (v) In writing assume or accept leases or liens specified in 8B5; (vi) Return Statutory and Lead Disclosures as required by paragraph 10A(5); or (vii) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 21B; or (viii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

E. **NOTICE TO BUYER OR SELLER TO PERFORM:** The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least 2 (or \_\_\_\_ ) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 14.

F. **EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.

G. **CLOSE OF ESCROW:** Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or \_\_\_\_ ) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.

H. **EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit. (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may, nevertheless, require mutual cancellation instructions. A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if not in good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

Buyer's Initials

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Seller's Initials



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225 Birchwood

Exhibit 4

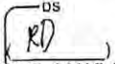
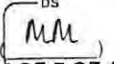


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Date: **November 9, 2018**

15. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within 5 (or ☐ ) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 11; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).
16. **REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.
17. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
18. **BROKERS:**
- A. **COMPENSATION:** Seller or Buyer, or both, as applicable, agree to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
- B. **SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in Investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.
19. **REPRESENTATIVE CAPACITY:** If one or more Parties is signing this Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 31 or 32 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).
20. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 10C, 13, 14G, 17, 18A, 19, 20, 26, 29, 30, 31, 32 and paragraph D of the section titled Real Estate Brokers on page 10. If a Copy of the separate compensation agreement(s) provided for in paragraph 18A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7C(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or ☐ ) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 7, 10 or elsewhere in this Agreement.
- B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or ☐ ). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Understanding to Buyer and Seller when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal law.

Buyer's Initials    
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Seller's Initials  



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 7 OF 10)

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225 Birchwood

**Exhibit 4**



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Property Address: 225 Birchwood Drive, Lake Arrowhead, CA 92352

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- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 18A and paragraph D of the section titled Real Estate Brokers on page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 18A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.
- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit or down payment is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.

**21. REMEDIES FOR BUYER'S BREACH OF CONTRACT:**

- A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.
- B. **LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Except as provided in paragraph 14H, release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. **AT THE TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R. FORM RID).**

Buyer's Initials RD MM

Seller's Initials            /           

**22. DISPUTE RESOLUTION:**

- A. **MEDIATION:** The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Real Estate Mediation Center for Consumers ([www.consumermediation.org](http://www.consumermediation.org)) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the Parties involved. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. **THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.** Exclusions from this mediation agreement are specified in paragraph 22C.
- B. **ARBITRATION OF DISPUTES:**

The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 22C.

**"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS IRREVOCABLE."**

**"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."**

Buyer's Initials RD MM

Seller's Initials            /           

**C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:**

- (1) **EXCLUSIONS:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.

Buyer's Initials RD MM

Seller's Initials            /           

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 8 OF 10)

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225 Birchwood



**Exhibit 4**



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Property Address: 225 Birchwood Drive, Lake Arrowhead, CA 92352

Date: November 9, 2018

- (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.
- (3) **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to this Agreement.
23. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
24. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
25. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 22A.
26. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the separate written consent of Seller to a specified assignee. Such consent shall not be unreasonably withheld. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller. (C.A.R. Form AOA).
27. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
28. **TERMS AND CONDITIONS OF OFFER:**

This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initialed by all Parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. The Parties have read and acknowledge receipt of a Copy of the offer and agree to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.

29. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.**
30. **DEFINITIONS:** As used in this Agreement:
- A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party's authorized agent in accordance with the terms of this offer or a final counter offer.
  - B. "Agreement" means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.
  - C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
  - D. "Close Of Escrow", including "COE", means the date the grant deed, or other evidence of transfer of title, is recorded.
  - E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
  - F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
  - G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
  - H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
  - I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 10, regardless of the method used (i.e., messenger, mail, email, fax, other).
  - J. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
  - K. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
  - L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
  - M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
31. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by Keith Binkley, Buyer's Agent who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by ☒ Noon ☐ AM/ ☐ PM, on November 13, 2018 (date)).

☐ One or more Buyers is signing this Agreement in a representative capacity and the undersigned is a duly authorized individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-B) for additional terms.

Date 11/9/2018 BUYER Robert Dickinson  
(Print name) Robert Dickinson  
Date 11/9/2018 BUYER Michael Marler  
(Print name) Michael Marler

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

Seller's Initials (Signature)

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 9 OF 10)

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Date: November 9, 2018

32. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, and agrees to sell the Property on the above terms and conditions. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

☒ (If checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED: November 16, 2018

☐ One or more Sellers is signing this Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-S) for additional terms.

Date 11/ /18 SELLER [Signature]

(Print name) Douglas Woodward x Karl Anderson, Chapter 7 Trustee

Date \_\_\_\_\_ SELLER \_\_\_\_\_

(Print name) \_\_\_\_\_

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

( / ) (Do not initial if making a counter offer.) CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) \_\_\_\_\_ at \_\_\_\_\_  
(Initials) ☐ AM/ ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

#### REAL ESTATE BROKERS:

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.  
B. Agency relationships are confirmed as stated in paragraph 2.  
C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.  
D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow, the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS. If Listing Broker and Cooperating Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) Mountain Country Realty, Inc. DRE Lic. # 01016228  
By Keith Binkley Keith Binkley DRE Lic. # 01164400 Date 11/9/2018  
By [Signature] DRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
Address P.O. Box 420 ( 229 North State Hwy 173 ) City Lake Arrowhead State CA Zip 92352-0420  
Telephone (310)413-8589 Fax (909)337-2618 E-mail keith@keithbinkley.com  
Real Estate Broker (Listing Firm) Barnett Real Estate DRE Lic. # 02015029  
By Jody Barnett DRE Lic. # 01300312 Date \_\_\_\_\_  
By \_\_\_\_\_ DRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
Address 22365 Barton Road, Suite # 204 City Grand Terrace State CA Zip 92313  
Telephone (909)203-9874 Fax (909)219-5547 E-mail jodymbarnett1@gmail.com

#### ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of \$ \_\_\_\_\_), counter offer numbers \_\_\_\_\_ ☐ Seller's Statement of Information and \_\_\_\_\_, and agrees to act as Escrow Holder subject to paragraph 20 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is \_\_\_\_\_

Escrow Holder \_\_\_\_\_ Date \_\_\_\_\_

By \_\_\_\_\_

Address \_\_\_\_\_

Phone/Fax/E-mail \_\_\_\_\_

Escrow Holder has the following license number # \_\_\_\_\_

☐ Department of Business Oversight, ☐ Department of Insurance, ☐ Department of Real Estate.

**SUBJECT TO  
COUNTER OFFER**

PRESENTATION OF OFFER: ( \_\_\_\_\_ ) Listing Broker presented this offer to Seller on \_\_\_\_\_ (date).  
Broker or Designee Initials \_\_\_\_\_

REJECTION OF OFFER: ( \_\_\_\_\_ ) ( \_\_\_\_\_ ) No counter offer is being made. This offer was rejected by Seller on \_\_\_\_\_ (date).  
Seller's Initials \_\_\_\_\_

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 10 OF 10)

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ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. Furnishings

The following terms and conditions are hereby incorporated in and made a part of the: ☒ Purchase Agreement, ☐ Residential Lease or Month-to-Month Rental Agreement, ☐ Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), ☐ Other \_\_\_\_\_

dated November 7, 2018, on property known as 225 Birchwood Drive

Lake Arrowhead, CA 92352

in which Robert Dickinson, Michael Marler is referred to as ("Buyer/Tenant")  
and Douglas Woodward is referred to as ("Seller/Landlord").

Purchase Price shall include any and All Furnishings, inclusive of all Bed Frames, Mattresses and Box Springs.

Also included are Lower Level Game Sets, meaning Pool Table, Shuffle Board Table, Air Hockey Table, and Organ.

Also included: Stained Glass Living Room Table Lamp, and any Art Deco Prints / Posters in Lower Level Game Room, and Pop Corn Machine, as well as Snow Blower inside the Garage, and both Bedside Lamps in the Master.

Also included: All Electronic Components, inclusive of the Theater System, as well as the Beer Dispenser in case.

Also included: All Outdoor Patio Furniture.

Excluded are: All of Seller's Personal Possessions & 2 Fold Up Plastic Tables in the Secondary Master Bedroom.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date 11/9/2018

DocuSigned by:  
Buyer/Tenant Robert Dickinson

Robert Dickinson

Buyer/Tenant Michael Marler

Michael Marler

Ⓡ Date 11/12/18

Ⓡ Seller/Landlord Douglas Woodward

Seller/Landlord \_\_\_\_\_

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ADDENDUM (ADM PAGE 1 OF 1)

Mtn Country Realty, Inc., PO Box 420 Lake Arrowhead CA 92352-0420  
Keith Binkley

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**DISCLOSURE REGARDING  
REAL ESTATE AGENCY RELATIONSHIP**

(Selling Firm to Seller)  
(As required by the Civil Code)  
(C.A.R. Form AD, Revised 12/14)

☐ (If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code section 2079.13(k), (l) and (m).

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

**SELLER'S AGENT**

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A Fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

**BUYER'S AGENT**

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

**AGENT REPRESENTING BOTH SELLER AND BUYER**

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).

☐ Buyer ☒ Seller ☐ Landlord ☐ Tenant

*Donner-Walsh*

Date

*11/19/18*

☐ Buyer ☐ Seller ☐ Landlord ☐ Tenant

Date

Agent **Mountain Country Realty, Inc.**

DRE Lic. # **01016228**

By **Keith Binkley** Real Estate Broker (Firm)

DRE Lic. # **01164400**

Date **11/9/2018**

**Keith Binkley** (Salesperson or Broker-Associate)

Agency Disclosure Compliance (Civil Code §2079.14):

• When the listing brokerage company also represents Buyer/Tenant: The Listing Agent shall have one AD form signed by Seller/Landlord and a different AD form signed by Buyer/Tenant.

• When Seller/Landlord and Buyer/Tenant are represented by different brokerage companies: (i) the Listing Agent shall have one AD form signed by Seller/Landlord and (ii) the Buyer's/Tenant's Agent shall have one AD form signed by Buyer/Tenant and either that same or a different AD form presented to Seller/Landlord for signature prior to presentation of the offer. If the same form is used, Seller may sign here:

(SELLER/LANDLORD: DO NOT SIGN HERE)

(SELLER/LANDLORD: DO NOT SIGN HERE)

Seller/Landlord

Date

Seller/Landlord

Date

**SUBJECT TO  
COUNTER OFFER**

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AD REVISED 12/14 (PAGE 1 OF 2)

**DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 1 OF 2)**

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**CIVIL CODE SECTIONS 2079.24 (2079.16 APPEARS ON THE FRONT)**

2079.13 As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings: (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor. (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14 Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgement of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a). (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgement of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgement of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15 In any circumstance in which the seller or buyer refuses to sign an acknowledgement of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.16 Reproduced on Page 1 of this AD form.

2079.17 (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form.

(DO NOT COMPLETE. SAMPLE ONLY) is the agent of (check one): ☐ the seller exclusively; or ☐ both the buyer and seller.

(Name of Listing Agent)

(DO NOT COMPLETE. SAMPLE ONLY) is the agent of (check one): ☐ the buyer exclusively; or ☐ the seller exclusively; or ☐ both the buyer and seller.

(Name of Selling Agent if not the same as the Listing Agent)

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18 No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21 A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23 A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed by listing agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees of their duty to disclose information in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

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CALIFORNIA  
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**CONFIRMATION OF REAL ESTATE AGENCY  
RELATIONSHIPS**

(As required by the Civil Code)  
(C.A.R. Form AC, Revised 04/08)

**Subject Property Address** 225 Birchwood Drive, Lake Arrowhead, CA 92352

The following agency relationship(s) is/are hereby confirmed for this transaction:

**LISTING AGENT:** Barnett Real Estate  
(Print Firm Name)

is the agent of (check one):

- ☒ the Seller/Landlord exclusively; or  
☐ both the Buyer/Tenant and Seller/Landlord

**SELLING AGENT:** Mountain Country Realty, Inc.  
(Print Firm Name)

(if not the same as Listing Agent)

is the agent of (check one):

- ☒ the Buyer/Tenant exclusively; or  
☐ the Seller/Landlord exclusively; or  
☐ both the Buyer/Tenant and Seller/Landlord

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS CONFIRMATION.

**Seller/Landlord** Douglas Woodward **Date** \_\_\_\_\_

**Seller/Landlord** \_\_\_\_\_ **Date** \_\_\_\_\_

**Buyer/Tenant** Robert Dickinson **Date** 11/9/2018  
DocuSigned by: Robert Dickinson

**Buyer/Tenant** Michael Marler **Date** 11/9/2018  
DocuSigned by: Michael Marler  
13B6774939744B4...

**Real Estate Broker (Selling Firm)** Mountain Country Realty, Inc.

**By** Keith Binkley **Date** 11/9/2018  
DocuSigned by: Keith Binkley

**Real Estate Broker (Listing Firm)** Barnett Real Estate

**By** Jody Barnett **Date** \_\_\_\_\_

**A REAL ESTATE BROKER IS QUALIFIED TO ADVISE ON REAL ESTATE. IF YOU DESIRE LEGAL ADVICE,  
CONSULT YOUR ATTORNEY.**

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**SUBJECT TO  
COUNTER OFFER**

**CONFIRMATION REAL ESTATE AGENCY RELATIONSHIPS (AC PAGE 1 OF 1)**

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**MARKET CONDITIONS ADVISORY**  
(C.A.R. Form MCA, Revised 11/11)

**1. MARKET CONDITIONS:** Real estate markets are cyclical and can change over time. It is impossible to predict future market conditions with accuracy. In a competitive or "hot" real estate market, there are generally more Buyers than Sellers. This will often lead to multiple buyers competing for the same property. As a result, in order to make their offers more attractive, some Buyers may offer more than originally planned or eliminate certain contingencies in their offers. In a less competitive or "cool" market there are generally more Sellers than Buyers, often causing real estate prices to level off or drop, sometimes precipitously. The sales price of homes being sold as foreclosures and short sales is difficult to anticipate and can affect the value of other homes in the area. Brokers, appraisers, Sellers and Buyers take these "distressed" property sales and listings into consideration when valuing property. In light of the real estate market's cyclical nature it is important that Buyers understand the potential for little or no appreciation in value, or an actual loss in value, of the property they purchase. This Advisory discusses some of the potential risks inherent in changing market conditions.

**2. BUYER CONSIDERATIONS:**

**A. OFFERING PRICE:** AS A BUYER, YOU ARE RESPONSIBLE FOR DETERMINING THE PRICE YOU WANT TO OFFER FOR A PROPERTY. Although Brokers may provide you with comparable sales data, generally from information published in the local multiple listing service, you should know that the reporting of this data is often delayed and prices may change, up or down, faster than reported sales indicate. All buyers should be sure they are comfortable with the price they are offering or the price they are accepting in a counter offer. You should be aware of and think about the following: (i) If your offer is accepted, the property's value may not increase and may even decrease. (ii) If your offer is accepted, you may have "Buyer's remorse" that you paid too much. (iii) If your offer is rejected there can be no guarantee that you will find a similar property at the same price. (iv) If your offer is rejected, you may not be satisfied that the amount you offered was right for you. Only you can determine that your offer was reasonable and prudent in light of the property and your circumstances.

**B. NON-CONTINGENT OFFERS:** Most residential purchase agreements contain contingencies allowing a Buyer within a specified period of time to cancel a purchase if: (i) the Buyer cannot obtain a loan; (ii) is dissatisfied with the property's condition after an inspection; or (iii) if the property does not appraise at a certain value. To make their offers more attractive, Buyers will sometimes write offers with few or no contingencies or offer to remove contingencies within a short period of time. In a "hot" market, sellers will sometimes insist that Buyers write offers with no contingencies. Broker recommends that Buyers do not write non-contingent offers and if you do so, you are acting against Broker's advice. However, if you do write a non-contingent offer these are some of the contractual rights you may be giving up:

(1) **LOAN CONTINGENCY:** If you give up your loan contingency, and you cannot obtain a loan, whether through your fault or the fault of your lender, and as a result, you do not or cannot purchase the property, you may legally be in default under the contract and required to pay damages or forfeit your deposit to the seller.

(2) **APPRAISAL CONTINGENCY:** If your lender's (or your own) appraiser does not believe the property is worth what you have agreed to pay for it, your lender may not loan the full amount needed for the purchase or may not loan any amount at all because of a low appraisal. As a result, if you do not purchase the property, and you have removed your appraisal contingency, you may legally be in default under the contract and could be required to pay damages to, or forfeit your deposit to, the Seller. The Seller is not obligated to reduce the purchase price to match the appraised value.

Buyer's Initials ( RD ) ( MM )

Seller's Initials ( AS ) (      )

**SUBJECT TO  
COUNTER OFFER**

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MCA REVISED 11/11 (PAGE 1 OF 2)

MARKET CONDITIONS ADVISORY (MCA PAGE 1 OF 2)

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Keith Binkley

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Phone: 310-413-8589

Fax: 909-337-2618

225 Birchwood

**Exhibit 4**



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Property Address: 225 Birchwood Drive, Lake Arrowhead, CA 92352

Date: November 7, 2018

(3) **INSPECTION CONTINGENCY:** If you disapprove of the condition of the property and as a result, you do not purchase the property, you may legally be in default under the contract and required to pay damages to, or forfeit your deposit to, the Seller if you have removed your inspection contingency. However, even if you make an offer without an inspection contingency or you remove that contingency, the Seller may still be obligated to disclose to you material facts about the property. In some cases, once you receive that information the law gives you an independent right to cancel for a limited period of time.

There is inherent risk in writing a non-contingent offer. Only you, after careful consultation and deliberation with your attorney, accountant, or financial advisor can decide how much risk you are willing to take. IT IS YOUR DECISION ALONE AND CANNOT BE MADE BY YOUR BROKER OR REAL ESTATE AGENT.

**C. BROKER RECOMMENDATIONS.** Broker recommends that you do not write a non-contingent offer, even if you are planning on paying all cash for the property. If you intend to write a non-contingent offer, Broker recommends that, prior to writing the offer, you: (i) review all available Seller reports, disclosures, information and documents; (ii) have an appropriate professional inspect the property (even if it is being sold "as is" in its present condition); and (iii) carefully assess your financial position and risk with your attorney, accountant or financial advisor.

**D. MULTIPLE OFFERS:** At times Buyers may write offers on more than one property even though the Buyer intends to purchase only one. This may occur in a short sale when the approval process can take a considerable amount of time. While it is not illegal to make offers on multiple properties with intent to purchase only one, the Buyer can be obligated to many Sellers if more than one accepts the Buyer's offers. If the Buyer has not disclosed that the Buyer is writing multiple offers with the intent to purchase only one and the Buyer subsequently cancels without using a contingency, the Seller may claim the Buyer is in breach of contract because the Buyer fraudulently induced the Seller to enter into a contract.

### 3. SELLER CONSIDERATIONS:

As a Seller, you are responsible for determining the asking price for your property. Although Brokers may provide you with comparable sales data, generally from information published in the local multiple listing service, you should know that the reporting of this data is often delayed and prices may change, up or down, faster than reported sales indicate. All Sellers should be sure they are comfortable with the asking price they are setting and the price they are accepting. There is not, and cannot be, any guarantee that the price you decide to ask for your property, or the price at which you agree to sell your property is the highest available price obtainable for the property. It is solely your decision as to how much to ask for your property and at which price to sell your property.

Buyer/Seller acknowledges each has read, understands and has received a copy of this Market Conditions Advisory.

|        |                         |      |                  |
|--------|-------------------------|------|------------------|
| Buyer  | <u>Robert Dickenson</u> | Date | <u>11/9/2018</u> |
| Buyer  | <u>Michael Marler</u>   | Date | <u>11/9/2018</u> |
| Seller | <u>Paula Woodman</u>    | Date | <u>11/19/18</u>  |
| Seller |                         | Date |                  |

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225 Birchwood

**SUBJECT TO  
COUNTER OFFER**

**Exhibit 4**



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CALIFORNIA  
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**DISCLOSURE REGARDING  
REAL ESTATE AGENCY RELATIONSHIP**

(Selling Firm to Buyer)  
(As required by the Civil Code)  
(C.A.R. Form AD, Revised 12/14)

☐ (If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code section 2079.13(k), (l) and (m).

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

**SELLER'S AGENT**

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

**BUYER'S AGENT**

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

**AGENT REPRESENTING BOTH SELLER AND BUYER**

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered. The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE):

☒ Buyer ☐ Seller ☐ Landlord ☐ Tenant Robert Dickinson Date 11/9/2018  
Robert Dickinson Discussed by:  
4543EDD7B9D84A3 Michael Marler Date 11/9/2018  
Michael Marler 1386774939744B4  
Agent DocuSigned by: Mountain Country Realty, Inc. DRE Lic. # 01016228  
By Keith Binkley Real Estate Broker (Firm) DRE Lic. # 01164400 Date 11/9/2018  
FD213814003A499 (Salesperson or Broker-Associate) Keith Binkley

**Agency Disclosure Compliance (Civil Code §2079.14):**

- When the listing brokerage company also represents Buyer/Tenant: The Listing Agent shall have one AD form signed by Seller/Landlord and a different AD form signed by Buyer/Tenant.
- When Seller/Landlord and Buyer/Tenant are represented by different brokerage companies: (i) the Listing Agent shall have one AD form signed by Buyer/Tenant and either that same, or a different AD form presented to Seller/Landlord for signature prior to presentation of the offer. If the same form is used, Seller may sign here:

Seller/Landlord Date  
Douglas Woodward

Seller/Landlord

Date

**SUBJECT TO  
COUNTER OFFER**

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**DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 1 OF 2)**

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**CIVIL CODE SECTIONS 2079.24 (2079.16 APPEARS ON THE FRONT)**

**2079.13** As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings: (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 798.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 781 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor. (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

**2079.14** Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgement of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a). (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgement of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgement of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

**2079.15** In any circumstance in which the seller or buyer refuses to sign an acknowledgement of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

**2079.16** Reproduced on Page 1 of this AD form.

**2079.17** (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form.

(DO NOT COMPLETE. SAMPLE ONLY) \_\_\_\_\_ is the agent of (check one): ☐ the seller exclusively; or ☐ both the buyer and seller.

(Name of Listing Agent)  
(DO NOT COMPLETE. SAMPLE ONLY) \_\_\_\_\_ is the agent of (check one): ☐ the buyer exclusively; or ☐ the seller exclusively; or ☐ both the buyer and seller.  
(Name of Selling Agent if not the same as the Listing Agent)

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

**2079.18** No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

**2079.19** The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

**2079.20** Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

**2079.21** A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

**2079.22** Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

**2079.23** A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

**2079.24** Nothing in this article shall be construed to either diminish the duty of disclosure owed buyer and seller by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for disclosure of confidential information governed by this article for any breach of a fiduciary duty or a duty of disclosure.



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**DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 2 OF 2)**

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CALIFORNIA  
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**POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER  
OR SELLER - DISCLOSURE AND CONSENT**

(C.A.R. Form PRBS, 11/14)

A real estate broker (Broker), whether a corporation, partnership or sole proprietorship, may represent more than one buyer or seller. This multiple representation can occur through an individual licensed as a broker or salesperson or through different individual broker's or salespersons (associate licensees) acting under the Broker's license. The associate licensees may be working out of the same or different office locations.

**Multiple Buyers:** Broker (individually or through its associate licensees) may be working with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed with Broker and some may not. Broker will not limit or restrict any particular buyer from making an offer on any particular property whether or not Broker represents other buyers interested in the same property.

**Multiple Sellers:** Broker (individually or through its associate licensees) may have listings on many properties at the same time. As a result, Broker will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Broker and some may not. Broker will market all listed properties to all prospective buyers whether or not Broker has another or other listed properties that may appeal to the same prospective buyers.

**Dual Agency:** If Seller is represented by Broker, Seller acknowledges that broker may represent prospective buyers of Seller's property and consents to Broker acting as a dual agent for both seller and buyer in that transaction. If Buyer is represented by Broker, buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both buyer and seller with regard to that property.

In the event of dual agency, seller and buyer agree that: (a) Broker, without the prior written consent of the Buyer, will not disclose to seller that the Buyer is willing to pay a price greater than the offered price; (b) Broker, without the prior written consent of the seller, will not disclose to the buyer that seller is willing to sell property at a price less than the listing price; and (c) other than as set forth in (a) and (b) above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the property to both parties.

**Offers not necessarily confidential:** Buyer is advised that seller or listing agent may disclose the existence, terms, or conditions of buyer's offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the listing agent's marketing strategy and the instructions of the seller.

Buyer and seller understand that Broker may represent more than one buyer or more than one seller and even both buyer and seller on the same transaction and consents to such relationships.

**Seller and/or Buyer acknowledges reading and understanding this Possible Representation of More Than One Buyer or Seller - Disclosure and Consent and agrees to the agency possibilities disclosed.**

☒ Seller Kal Marshall Date 11/19/18  
☒ Seller Douglas Woodward Date 11/19/18  
 DocuSigned by: \_\_\_\_\_ Date \_\_\_\_\_  
 Buyer Robert Dickinson Date 11/9/2018  
 Buyer Michael Marler Date 11/9/2018  
 DocuSigned by: \_\_\_\_\_ Date \_\_\_\_\_  
 Real Estate Broker (Firm) Barnett Real Estate DRE Lic # 02015029 Date \_\_\_\_\_  
 By Jody Barnett DRE Lic # 01300312 Date \_\_\_\_\_  
 Real Estate Broker (Firm) Mountain Country Realty, Inc. DRE Lic # 01016228 Date 11/08/2018  
 By Keith Binkley DRE Lic # 01164400 Date \_\_\_\_\_  
 DocuSigned by: \_\_\_\_\_ Date \_\_\_\_\_  
Keith Binkley

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**SUBJECT TO  
COUNTER OFFER**

PRBS 11/14 (PAGE 1 OF 1)

**POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER (PRBS PAGE 1 OF 1)**

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**WIRE FRAUD AND ELECTRONIC FUNDS  
TRANSFER ADVISORY**  
(C.A.R. Form WFA, Revised 12/17)

Property Address: 225 Birchwood Drive, Lake Arrowhead, CA 92352 ("Property").

**WIRE FRAUD AND ELECTRONIC FUNDS TRANSFERS ADVISORY:**

The ability to communicate and conduct business electronically is a convenience and reality in nearly all parts of our lives. At the same time, it has provided hackers and scammers new opportunities for their criminal activity. Many businesses have been victimized and the real estate business is no exception.

While wiring or electronically transferring funds is a welcome convenience, we all need to exercise extreme caution. Emails attempting to induce fraudulent wire transfers have been received and have appeared to be legitimate. Reports indicate that some hackers have been able to intercept emailed transfer instructions, obtain account information and, by altering some of the data, redirect the funds to a different account. It also appears that some hackers were able to provide false phone numbers for verifying the wiring or funds transfer instructions. In those cases, the victim called the number provided to confirm the instructions, and then unwittingly authorized a transfer to somewhere or someone other than the intended recipient.

**ACCORDINGLY, YOU ARE ADVISED:**

1. Obtain phone numbers and account numbers only from Escrow Officers, Property Managers, or Landlords at the beginning of the transaction.
2. DO NOT EVER WIRE OR ELECTRONICALLY TRANSFER FUNDS PRIOR TO CALLING TO CONFIRM THE TRANSFER INSTRUCTIONS. ONLY USE A PHONE NUMBER YOU WERE PROVIDED PREVIOUSLY. Do not use any different phone number or account number included in any emailed transfer instructions.
3. Orally confirm the transfer instruction is legitimate and confirm the bank routing number, account numbers and other codes before taking steps to transfer the funds.
4. Avoid sending personal information in emails or texts. Provide such information in person or over the telephone directly to the Escrow Officer, Property Manager, or Landlord.
5. Take steps to secure the system you are using with your email account. These steps include creating strong passwords, using secure WiFi, and not using free services.

If you believe you have received questionable or suspicious wire or funds transfer instructions, immediately notify your bank, and the other party, and the Escrow Office, Landlord, or Property Manager. The sources below, as well as others, can also provide information:

Federal Bureau of Investigation: <https://www.fbi.gov/>; the FBI's IC3 at [www.ic3.gov](http://www.ic3.gov); or 310-477-6565

National White Collar Crime Center: <http://www.nw3c.org/>

On Guard Online: <https://www.onguardonline.gov/>

**NOTE: There are existing alternatives to electronic and wired fund transfers such as cashier's checks. By signing below, the undersigned acknowledge that each has read, understands and has received a copy of this Wire Fraud and Electronic Funds Transfer Advisory.**

|                 |                         |            |                         |      |                  |
|-----------------|-------------------------|------------|-------------------------|------|------------------|
| Buyer/Tenant    | <u>Robert Dickinson</u> | Signed by: | <u>Robert Dickinson</u> | Date | <u>11/9/2018</u> |
| Buyer/Tenant    | <u>4543EDD7B9DB48B</u>  |            | <u>Michael Marler</u>   | Date | <u>11/9/2018</u> |
| Seller/Landlord | <u>9B67743391448A</u>   |            | <u>Douglas Woodward</u> | Date | <u>11/12/18</u>  |
| Seller/Landlord |                         |            |                         | Date |                  |

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WFA REVISED 12/17 (PAGE 1 OF 1)

**WIRE FRAUD AND ELECTRONIC FUNDS TRANSFER ADVISORY (WFA PAGE 1 OF 1)**

**SUBJECT TO  
COUNTER OFFER**

|   |   |                   |               |
|---|---|-------------------|---------------|
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## BUYER'S INSPECTION ADVISORY

(C.A.R. Form BIA, Revised 11/14)

Property Address **225 Birchwood Drive, Lake Arrowhead, CA 92352**

**1. IMPORTANCE OF PROPERTY INVESTIGATION:** The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

**2. BROKER OBLIGATIONS:** Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as those listed below. If Broker gives you referrals to professionals, Broker does not guarantee their performance.

**3. YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO THE FOLLOWING. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**

- A. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS:** Foundation, roof (condition, age, leaks, useful life), plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa (cracks, leaks, operation), other structural and nonstructural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property.
- B. SQUARE FOOTAGE, AGE, BOUNDARIES:** Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other barriers or markers do not necessarily identify true Property boundaries.
- C. WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms.
- D. SOIL STABILITY:** Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage.
- E. WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS; WASTE DISPOSAL:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components. The type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
- F. ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants).
- G. EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood.
- H. FIRE, HAZARD AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies.
- I. BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS:** Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size.
- J. RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants, and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements.
- K. SECURITY AND SAFETY:** State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property.
- L. NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** Neighborhood or area conditions, including schools, law enforcement, crime statistics, registered felons or offenders, fire protection, other government services, availability, adequacy and cost of internet connections or other technology services and installations, commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

By signing below, Buyers acknowledge that they have read, understand, accept and have received a Copy of this Advisory. Buyers are advised to read it carefully.

Buyer Robert Dickinson 11/9/2018  
Robert Dickinson  
4543 EDD 78908459

DocuSigned by:  
Buyer Michael Marler 11/9/2018  
Michael Marler  
138677493974494

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**SUBJECT TO  
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EQUAL HOUSING  
OPPORTUNITY

Mtn Country Realty, Inc., PO Box 420 Lake Arrowhead CA 92352-0420  
Keith Binkley

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225 Birchwood

**Exhibit 4**



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**LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS  
DISCLOSURE, ACKNOWLEDGMENT AND ADDENDUM**  
For Pre-1978 Housing Sales, Leases, or Rentals  
(C.A.R. Form FLD, Revised 11/10)

The following terms and conditions are hereby incorporated in and made a part of the: ☐ California Residential Purchase Agreement, ☐ Residential Lease or Month-to-Month Rental Agreement, or ☒ Other: T.D.S., dated November 9, 2018, on property known as: 225 Birchwood Drive, Lake Arrowhead, CA 92352 ("Property") in which Robert Dickinson, Michael Marler is referred to as Buyer or Tenant and Douglas Woodward is referred to as Seller or Landlord.

**LEAD WARNING STATEMENT (SALE OR PURCHASE)** Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligent quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

**LEAD WARNING STATEMENT (LEASE OR RENTAL)** Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive federally approved pamphlet on lead poisoning prevention.

**EPA'S LEAD-BASED PAINT RENOVATION, REPAIR AND PAINTING RULE:** The new rule requires that contractors and maintenance professionals working in pre-1978 housing, child care facilities, and schools with lead-based paint be certified; that their employees be trained; and that they follow protective work practice standards. The rule applies to renovation, repair, or painting activities affecting more than six square feet of lead-based paint in a room or more than 20 square feet of lead-based paint on the exterior. Enforcement of the rule begins October 1, 2010. See the EPA website at [www.epa.gov/lead](http://www.epa.gov/lead) for more information.

**1. SELLER'S OR LANDLORD'S DISCLOSURE**

I (we) have no knowledge of lead-based paint and/or lead-based paint hazards in the housing other than the following:

Property was built in 1989

I (we) have no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing other than the following, which, previously or as an attachment to this addendum, have been provided to Buyer or Tenant:

I (we), previously or as an attachment to this addendum, have provided Buyer or Tenant with the pamphlet "Protect Your Family From Lead In Your Home" or an equivalent pamphlet approved for use in the State pursuant to the Homeowner's Guide to Environmental Hazards and Earthquake Safety."

For Sales Transactions Only: Buyer has 10 days, unless otherwise agreed in the real estate purchase contract, to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

I (we) have reviewed the information above and certify, to the best of my (our) knowledge, that the information provided is true and correct.

☒ Seller or Landlord Douglas Woodward

☒ Date 11/19/18

Seller or Landlord

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Buyer's Initials

DS Date  
RD

DS  
MM



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**LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS DISCLOSURE (FLD PAGE 1 OF 2)**

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Keith Binkley

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225 Birchwood

**Exhibit 4**

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Property Address: 225 Birchwood Drive, Lake Arrowhead, CA 92352

Date November 7, 2018

## 2. LISTING AGENT'S ACKNOWLEDGMENT

Agent has informed Seller or Landlord of Seller's or Landlord's obligations under §42 U.S.C. 4852d and is aware of Agent's responsibility to ensure compliance.

I have reviewed the information above and certify, to the best of my knowledge, that the information provided is true and correct.

Barnett Real Estate

(Please Print) Agent (Broker representing Seller or Landlord)

By

Associate-Licensee or Broker Signature

Date

Jody Barnett

## 3. BUYER'S OR TENANT'S ACKNOWLEDGMENT

I (we) have received copies of all information listed, if any, in 1 above and the pamphlet "Protect Your Family From Lead In Your Home" or an equivalent pamphlet approved for use in the State such as "The Homeowner's Guide to Environmental Hazards and Earthquake Safety." If delivery of any of the disclosures or pamphlet referenced in paragraph 1 above occurs after Acceptance of an offer to purchase, Buyer has a right to cancel pursuant to the purchase contract. If you wish to cancel, you must act within the prescribed period.

For Sales Transactions Only: Buyer acknowledges the right for 10 days, unless otherwise agreed in the real estate purchase contract, to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; OR, (if checked) ☐ Buyer waives the right to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

I (we) have reviewed the information above and certify, to the best of my (our) knowledge, that the information provided is true and correct.

DocuSigned by:  
Robert Dickinson  
Buyer or Tenant  
Robert Dickinson

11/9/2018

Date

DocuSigned by:  
Michael Marler  
Buyer or Tenant  
Michael Marler

11/9/2018

Date

## 4. COOPERATING AGENT'S ACKNOWLEDGMENT

Agent has informed Seller or Landlord, through the Listing Agent if the property is listed, of Seller's or Landlord's obligations under §42 U.S.C. 4852d and is aware of Agent's responsibility to ensure compliance.

I have reviewed the information above and certify, to the best of my knowledge, that the information provided is true and correct.

Mountain Country Realty, Inc.

Agent (Broker obtaining the Offer)

By

DocuSigned by:  
Keith Binkley  
Associate-Licensee or Broker Signature  
Keith Binkley

11/9/2018

Date

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LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS DISCLOSURE (FLD PAGE 2 OF 2)

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225 Birchwood

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**WATER-CONSERVING PLUMBING FIXTURES  
AND CARBON MONOXIDE DETECTOR NOTICE**

(C.A.R. Form WCMD, 12/16)

Property Address: **225 Birchwood Drive, Lake Arrowhead, CA 92352**

**1. WATER-CONSERVING PLUMBING FIXTURES**

**A. INSTALLATION:**

(1) **Requirements:** (a) Single-Family Properties. California law (Civil Code §1101.4) requires all single-family residences built on or before January 1, 1994 to be equipped with water-conserving plumbing fixtures after January 1, 2017. (b) Multifamily and Commercial Properties. Civil Code §1101.5 requires all multifamily residential and commercial properties built on or before January 1, 1994 to be equipped with water-conserving plumbing fixtures after January 1, 2019. Additionally, on and after January 1, 2014, a multifamily residential and commercial property built on or before January 1, 1994 that is altered or improved is required to be equipped with water-conserving plumbing fixtures as a condition of final approval if the alteration or improvement increases floor area space by more than 10 percent, or has a cost greater than \$150,000, or for any room in a building which requires a building permit.

(2) **Exceptions:** These requirements do not apply to (i) registered historical sites, (ii) real property for which a licensed plumber certified that, due to the age or configuration of the property or its plumbing, installation of water-conserving plumbing fixtures is not technically feasible, or (iii) a building for which water service is permanently disconnected. Additionally, there is a one-year exemption for any building slated for demolition, and any city or county that has adopted a retrofit requirement prior to 2009 is itself exempt. (Civil Code §§1101.6, 1101.7, and 1101.9.)

**B. Disclosure of Water-Conserving Plumbing Fixtures:** Although the installation of water-conserving plumbing fixtures is not a point of sale requirement, California Civil Code §§1101.4 (single family properties beginning 2017) and 1101.5 (multifamily and commercial properties beginning 2019) require the seller to disclose to the buyer the requirements concerning water-conserving plumbing fixtures and whether the property contains any noncompliant water fixtures.

**C. Noncompliant Water Fixtures:** Noncompliant water fixtures are any of the following: (i) any toilet manufactured to use more than 1.6 gallons of water per flush, (ii) any urinal manufactured to use more than one gallon of water per flush, (iii) any showerhead manufactured to have a flow capacity of more than 2.5 gallons of water per minute, (iv) any interior faucet that emits more than 2.2 gallons of water per minute. (Civil Code §1101.3.) Buyer and Seller are each advised to consult with their own home inspector or contractor to determine if any water fixture is noncompliant.

**2. CARBON MONOXIDE DETECTORS:**

**A. INSTALLATION:**

(1) **Requirements:** California law (Health and Safety Code §§13260 to 13263 and 17296 to 17296.2) requires that as of July 1, 2011, all existing single-family dwellings have carbon monoxide detectors installed and that all other types of dwelling units intended for human occupancy have carbon monoxide detectors installed on or before January 1, 2013. The January 1, 2013 requirement applies to a duplex, lodging house, dormitory, hotel, condominium, time-share and apartment, among others.

(2) **Exceptions:** The law does not apply to a dwelling unit which does not have any of the following: a fossil fuel burning heater or appliance, a fireplace, or an attached garage. The law does not apply to dwelling units owned or leased by the State of California, the Regents of the University of California or local government agencies. Aside from these three owner types, there are **no other owner exemptions** from the installation requirement; it applies to all owners of dwellings, be they individual banks, corporations, or other entities. There is no exemption for REO properties.

**B. DISCLOSURE OF CARBON MONOXIDE DETECTORS:** The Health and Safety Code does not require a disclosure regarding the existence of carbon monoxide detectors in a dwelling unit of a seller of residential 1-4 property who is required to complete a Real Estate Transfer Disclosure Statement (C.A.R. Form TDS) or a Manufactured Home and Mobile home Transfer Disclosure Statement (C.A.R. Form MHTDS) not used in II A of that form to disclose whether or not the dwelling unit has a carbon monoxide detector.

Buyer/Tenant Initials

RD

MM

Ⓢ

Seller/Landlord Initials

JA



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WCMD 12/16 (PAGE 1 OF 2)

**WATER-CONSERVING PLUMBING FIXTURES AND CARBON MONOXIDE DETECTOR NOTICE (WCMD PAGE 1 OF 2)**

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Keith Binkley

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Property Address: 225 Birchwood Drive, Lake Arrowhead, CA 92352

C. **COMPLIANCE WITH INSTALLATION REQUIREMENT:** State building code requires at a minimum, placement of carbon monoxide detectors in applicable properties outside of each sleeping area, and on each floor in a multi-level dwelling but additional or different requirements may apply depending on local building standards and manufacturer instructions. An owner who fails to install a carbon monoxide detector when required by law and continues to fail to install the detector after being given notice by a governmental agency could be liable for a fine of up to \$200 for each violation. A transfer of a property where a seller, as an owner, has not installed carbon monoxide detectors, when required to do so by law, will not be invalidated, but the seller/owner could be subject to damages of up to \$100, plus court costs and attorney fees. Buyer and Seller are each advised to consult with their own home inspector, contractor or building department to determine the exact location for installation of carbon monoxide detectors. Buyer is advised to consult with a professional of Buyer's choosing to determine whether the property has carbon monoxide detector(s) installed as required by law, and if not to discuss with their counsel the potential consequences.

3. **LOCAL REQUIREMENTS:** Some localities maintain their own retrofit or point of sale requirements which may include the requirement that water-conserving plumbing fixtures and/or a carbon monoxide detector be installed prior to a transfer of property. Therefore, it is important to check the local city or county building and safety departments regarding point of sale or retrofit requirements when transferring property.

The undersigned hereby acknowledge(s) receipt of a copy of this Water-Conserving Plumbing Fixtures and Carbon Monoxide Detector Notice.

Seller/Landlord  Douglas Woodward Date 11/19/18  
(Signature) (Print Name)


Seller/Landlord \_\_\_\_\_ Date \_\_\_\_\_  
(Signature) (Print Name)

DocuSigned by:  
Buyer/Tenant Robert Dickinson Robert Dickinson Date 11/9/2018  
(Signature) (Print Name)

DocuSigned by:  
Buyer/Tenant Michael Marler Michael Marler Date 11/9/2018  
(Signature) (Print Name)

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225 Birchwood

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**WATER HEATER AND SMOKE DETECTOR  
STATEMENT OF COMPLIANCE**  
(C.A.R. Form WHSD, Revised 11/10)

Property Address: 225 Birchwood Drive, Lake Arrowhead, CA 92352

NOTE: A seller who is not required to provide one of the following statements of compliance is not necessarily exempt from the obligation to provide the other statement of compliance.

**WATER HEATER STATEMENT OF COMPLIANCE**

- 1. STATE LAW:** California Law requires that all new and replacement water heaters and existing residential water heaters be braced, anchored or strapped to resist falling or horizontal displacement due to earthquake motion. "Water heater" means any standard water heater with a capacity of no more than 120 gallons for which a pre-engineered strapping kit is readily available. (Health and Safety Code §19211d). Although not specifically stated, the statute requiring a statement of compliance does not appear to apply to a properly installed and bolted tankless water heater for the following reasons: There is no tank that can overturn; Pre-engineered strapping kits for such devices are not readily available; and Bolting already exists that would help avoid displacement or breakage in the event of an earthquake.
- 2. LOCAL REQUIREMENTS:** Some local ordinances impose more stringent water heater bracing, anchoring or strapping requirements than does California Law. Therefore, it is important to check with local city or county building and safety departments regarding the applicable water heater bracing, anchoring or strapping requirements for your property.
- 3. TRANSFEROR'S WRITTEN STATEMENT:** California Health and Safety Code §19211 requires the seller of any real property containing a water heater to certify, in writing, that the seller is in compliance with California State Law. If the Property is a manufactured or mobile home, Seller shall also file a required Statement with the Department of Housing and Community Development.
- 4. CERTIFICATION:** Seller represents that the Property, as of the Close Of Escrow, will be in compliance with Health and Safety Code §19211 by having the water heater(s) braced, anchored or strapped in place, in accordance with those requirements.

Seller \_\_\_\_\_ Douglas Woodward \_\_\_\_\_ Date \_\_\_\_\_  
(Signature) (Print Name)

Seller \_\_\_\_\_ \_\_\_\_\_ Date \_\_\_\_\_  
(Signature) (Print Name)

The undersigned hereby acknowledge(s) receipt of a copy of this document.

Buyer Robert Dickinson \_\_\_\_\_ Date 11/9/2018  
(Signature) (Print Name)

Buyer Michael Marler \_\_\_\_\_ Date 11/9/2018  
(Signature) (Print Name)

**SMOKE DETECTOR STATEMENT OF COMPLIANCE**

- 1. STATE LAW:** California Law requires that (i) every single-family dwelling and factory built housing unit sold on or after January 1, 1986, must have an operable smoke detector, approved and listed by the State Fire Marshal, installed in accordance with the State Fire Marshal's regulations (Health and Safety Code §13113.8) and (ii) all used manufactured or mobilehomes have an operable smoke detector in each sleeping room.
- 2. LOCAL REQUIREMENTS:** Some local ordinances impose more stringent smoke detector requirements than does California Law. Therefore, it is important to check with local city or county building and safety departments regarding the applicable smoke detector requirements for your property.
- 3. TRANSFEROR'S WRITTEN STATEMENT:** California Health and Safety Code §13113.8(b) requires every transferor of any real property containing a single-family dwelling, whether the transfer is made by sale, exchange, or real property sales contract (installment sales contract), to deliver to the transferee a written statement indicating that the transferor is in compliance with California State Law concerning smoke detectors. If the Property is a manufactured or mobile home, Seller shall also file a required Statement with the Department of Housing and Community Development (HCD).
- 4. EXCEPTIONS:** Generally, a written statement of smoke detector compliance is not required for transactions for which the Seller is exempt from providing a transfer disclosure statement.
- 5. CERTIFICATION:** Seller represents that the Property, as of the Close Of Escrow, will be in compliance with the law by having operable smoke detector(s) (i) approved and listed by the State Fire Marshal installed in accordance with the State Fire Marshal's regulations Health and Safety Code §13113.8 or (ii) in compliance with Manufactured Housing Construction and Safety Act (Health and Safety Code §18029.6) located in each sleeping room for used manufactured or mobilehomes as required by HCD and (iii) in accordance with applicable local ordinance(s).

Seller Douglas Woodward \_\_\_\_\_ Date 11/9/18  
(Signature) (Print Name)

Seller \_\_\_\_\_ \_\_\_\_\_ Date \_\_\_\_\_  
(Signature) (Print Name)

The undersigned hereby acknowledge(s) receipt of a copy of this Water Heater and Smoke Detector Statement of Compliance.

Buyer Robert Dickinson \_\_\_\_\_ Date 11/9/2018  
(Signature) (Print Name)

Buyer Michael Marler \_\_\_\_\_ Date 11/9/2018  
(Signature) (Print Name)

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**WATER HEATER AND SMOKE DETECTOR STATEMENT OF COMPLIANCE (WHSD PAGE 1 OF 1)**

Mtn Country Realty, Inc., PO Box 420 Lake Arrowhead CA 92352-0420 Phone: 310-413-8589 Fax: 909-337-2618 225 Birchwood  
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CALIFORNIA  
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**STATEWIDE BUYER AND SELLER ADVISORY**  
(This Form Does Not Replace Local Condition Disclosures.  
Additional Advisories or Disclosures May Be Attached)  
(C.A.R. Form SBSA, Revised 6/18)

**BUYER RIGHTS AND DUTIES:**

- The physical condition of the land and improvements being purchased are not guaranteed by Seller or Brokers.
  - You should conduct thorough investigations of the Property both personally and with appropriate professionals.
  - If professionals recommend further inspections, you should contact qualified experts to conduct such inspections.
  - You should retain your own professional even if Seller or Broker has provided you with existing reports.
  - You should read all written reports given to you and discuss those reports with the persons who prepared them. It is possible that different reports provided to you contain conflicting information. If there are discrepancies between reports, disclosures or other information, you are responsible for contacting appropriate professionals to confirm the accuracy of correctness of the reports, disclosures or information.
  - You have the right to request that the Seller make repairs or corrections or take other actions based on inspections or disclosures, but the Seller is not obligated to respond to you or make any such repairs, corrections or other requested actions.
  - If the Seller is unwilling or unable to satisfy your requests, and you act within certain time periods, you may have the right to cancel the Agreement (the Purchase Agreement and any Counter Offer and Addenda together are the "Agreement"). If you cancel outside of these periods, you may be in breach of the Agreement and your deposit might be at risk.
  - You are advised to seek legal, tax, and other assistance from appropriate professionals in order to fully understand the implications of any documents or actions during the transaction. If you are doing a 1031 exchange, you are advised to contact an exchange accommodator to discuss the proper method and timing of the exchange.
  - The terms of the Agreement and any counter offers and addenda establish your rights and responsibilities.
- YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**

**SELLER RIGHTS AND DUTIES:**

- You have a duty to disclose material facts known to you that affect the value or desirability of the Property.
- You are obligated to make the Property available to the Buyer and have utilities on for inspections as allowed by the Agreement.
- This form is not a substitute for completing a Real Estate Transfer Disclosure Statement, if required, and any other property-specific questionnaires or disclosures.
- The terms of the Agreement establish your rights and responsibilities.
- You are advised to seek legal, tax, and other assistance from appropriate professionals in order to fully understand the implications of any documents or actions during the transaction. If you are doing a 1031 exchange, you are advised to contact an exchange accommodator to discuss the proper method and timing of the exchange.

**BROKER RIGHTS AND DUTIES:**

- Brokers do not have expertise in all areas and matters affecting the Property or your evaluation of it.
- For most sales of residential properties with no more than four units, Brokers have a duty to make a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose to you material facts or defects that the inspection reveals.
- Many defects and conditions may not be discoverable by a Broker's visual inspection.
- If Brokers give a referral to another professional, Brokers do not guarantee that person's performance. You may select any professional of your own choosing.
- If a Broker gives you reports or other documents, unless otherwise specified, it is possible that different reports provided to you contain conflicting information. Broker has not and will not verify or otherwise investigate the information contained therein.
- Any written agreement between a Broker and either Buyer or Seller or both establishes the rights and responsibilities of those parties.

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Notice: This Statewide Buyer and Seller Advisory is 14 pages and addresses the following topics. All paragraphs are important. Buyer and Seller are encouraged to read each one carefully.

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## A. Investigation of Physical Conditions

**1. EASEMENTS, ACCESS AND ENCROACHMENTS:** Buyer and Seller are advised that confirming the exact location of easements, shared or private driveways or roadways, and encroachments on or to the Property may be possible only by conducting a survey. There may be unrecorded easements, access rights, encroachments and other agreements affecting the Property that may not be disclosed by a survey. Representations regarding these items that are made in a Multiple Listing Service or advertisements, or plotted by a title company are often approximations, or based upon inaccurate or incomplete records. Unless otherwise specified by Broker in writing, Brokers have not verified any such matters or any representations made by Seller(s) or others. If Buyer wants further information, Buyer is advised and Broker(s) recommend that Buyer hire a licensed surveyor during Buyer's inspection. Broker(s) do not have expertise in this area.

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**2. ENVIRONMENTAL HAZARDS:** Buyer and Seller are advised that the presence of certain kinds of organisms, toxins and contaminants, including, but not limited to, mold (airborne, toxic or otherwise), fungi, mildew, lead-based paint and other lead contamination, asbestos, formaldehyde, radon, pcb's, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, urea formaldehyde, or other materials may adversely affect the Property and the health of individuals who live on or work at the property as well as pets. Some municipalities may impose additional requirements regarding underground storage tanks, which may be more common in certain areas and cities throughout the State, especially where there are larger, older homes built before 1935. It is possible that these tanks, either now or in the future, may require inspections or abatement. If Buyer wants further information, Buyer is advised, and Broker(s) recommends, that Buyer have the Property inspected for the existence of such conditions and organisms, and conditions that may lead to their formation. Not all inspectors are licensed and licenses are not available for all types of inspection activities. Buyer is also advised to consult with appropriate experts regarding this topic during Buyer's inspection contingency period. Broker recommends that Buyer and Seller read the booklets titled, "Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants," and "Protect Your Family From Lead In Your Home." Brokers do not have expertise in this area.

**3. FORMALDEHYDE:** Formaldehyde is a substance known to the State of California to cause cancer. Exposure to formaldehyde may be caused by materials used in the construction of homes. The United States Environmental Protection Agency, the California Air Resources Board, and other agencies have measured the presence of formaldehyde in the indoor air of select homes in California. Levels of formaldehyde that present a significant cancer risk have been measured in most homes that were tested. Formaldehyde is present in the air because it is emitted by a variety of building materials and home products used in construction. The materials include carpeting, pressed wood products, insulation, plastics, and glues. Most homes that have been tested elsewhere do contain formaldehyde, although the concentrations vary from home to home with no obvious explanation for the differences. One of the problems is that many suppliers of building materials and home products do not provide information on chemical ingredients to builders. Buyers may have further questions about these issues. Buyer is advised to consult with appropriate experts regarding this topic during Buyer's inspection contingency period. Broker(s) recommend that Buyer and Seller read the booklet titled "Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants." Brokers do not have expertise in this area.

**4. GEOLOGIC HAZARDS:** Buyer and Seller are advised that California has experienced earthquakes in the past, and there is always a potential of future earthquakes. Damage caused by an earthquake may not be discoverable by a visual inspection of Buyer(s) or Broker(s). Inspection by a licensed, qualified professional is strongly recommended to determine the structural integrity and safety of all structures and improvements on the Property. If the Property is a condominium, or located in a planned unit development or in a common interest subdivision, Buyer is advised to contact the homeowners association about earthquake repairs and retrofit work and the possibility of an increased or special assessment to defray the costs of earthquake repairs or retrofit work. Buyer is encouraged to obtain and read the booklet entitled, "The Homeowner's Guide to Earthquake Safety." In most cases a questionnaire within the booklet must be completed by Seller and the entire booklet given to the Buyer if the Property was built prior to 1960. If the Property was built before 1975, and contains structures constructed of masonry or precast (tilt up) concrete walls, with wood frame floors or roof, or if the building has unreinforced masonry walls, then Seller must provide Buyer a pamphlet entitled "The Commercial Property Owner's Guide to Earthquake Safety." Many areas have a wide range of geologic problems and numerous studies have been made of these conditions. Some of this information is available for public review at city and county planning departments. Buyer is encouraged to review the public maps and reports and/or obtain a geologist's inspection report. Buyer may be able to obtain earthquake insurance to protect their interest in the Property. Sellers who agree to provide financing should also consider requiring Buyers to obtain such insurance naming Seller(s) as insured lien holder(s). Brokers do not have expertise in this area.

**5. INSPECTIONS:** Buyer and Seller are advised that Buyer has the right to obtain various inspections of the Property under most residential purchase agreements. Buyer is advised to have the Property inspected by a professional property inspection service within Buyer's inspection contingency period. A licensed building contractor or other professional may perform these services. The inspector generally does not look behind walls or under carpets, or take equipment apart. Certain items on the Property, such as chimneys and spark arresters, plumbing, heating, air conditioning, electrical wiring, pool and spa, septic system, well, roof, foundation and structural items may need to be inspected by another professional, such as a chimney sweep, plumber, electrician, pool and spa service, septic or well company or roofer. A general physical inspection typically will not test for mold, wood destroying pests, lead-based paint, radon, asbestos and other environmental hazards, geologic conditions, age, remaining useful life or water-tightness of roof, cracks, leaks or operational problems associated with a pool or spa or connection of the Property to a sewer system. If Buyer wants further information on any aspect of the Property, Broker recommends that Buyer have a discussion with the professional property inspector and that Buyer hire an appropriate professional for the area of concern to Buyer. Brokers do not verify the results of any such inspection or guarantee the performance of any such inspector or service. Any election by Buyer to waive the right to a physical inspection of the Property or to rely on somebody other than an appropriate professional is against the advice of Brokers. Not all inspectors are licensed and licenses are not available for all types of inspection activities. Brokers do not have expertise in these area.

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**6. MOLD:** Buyer and Seller are advised that the presence of certain kinds of mold, fungi, mildew and other organisms, sometimes referred to as "toxic mold" (collectively "Mold"), may adversely affect the Property and the health of individuals who live on or work at the Property as well as pets. Mold does not affect all people the same way, and may not affect some people at all. Mold may be caused by water leaks or other sources of moisture such as, but not limited to, flooding, and leaks in windows, pipes and roof. Seller is advised to disclose the existence of any such conditions of which he or she is aware. Buyer should carefully review all of Seller's disclosures for any indication that any of these conditions exist. It is, however, possible that Mold may be hidden and that Seller is completely unaware of its existence. In addition, Mold is often undetectable from a visual inspection, a professional general property inspection and even a structural pest control inspection. Brokers do not have expertise in this area. If Buyer wants further information, Broker recommends that Buyer have the Property tested for Mold by an environmental hygienist or other appropriate professional during Buyer's inspection contingency period. Not all inspectors are licensed and licenses are not available for all types of inspection activities. Brokers do not have expertise in this area.

**7. PETS AND ANIMALS:** Buyer and Seller are advised that the current or previous owner(s) may have had domesticated or other pets and animals at the Property. Odors from animal urine or other contamination may be dormant for long periods of time and then become active because of heat, humidity or other factors and might not be eliminated by cleaning or replacing carpets or other cleaning methods. Pet urine and feces can also damage hardwood floors and other floor coverings. Additionally, an animal may have had fleas, ticks and other pests that remain on the Property after the animal has been removed. If Buyer wants further information, Broker(s) recommend that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**8. SEPTIC SYSTEMS:** Buyer and Seller are advised that a property may be served by one or more septic systems even though adjoining properties are connected to a sewer line. Buyer and Seller are also advised that some septic tanks and systems may have been abandoned or have leaked into ground water sources. Buyer is advised to contact the appropriate government agency to verify that the Property is connected to a sewer or served by a septic system. If the Property is served by a septic system, it may consist of a septic tank, cesspool, pits, leach lines or a combination of such mechanisms ("collectively, System"). No representation or warranty is made by Seller or Broker concerning the condition, operability, size, capacity or future expansion of a System, nor whether a System is adequate for use by the intended occupants of the Property. A change in the number of occupants or the quantity, composition or methods of depositing waste may affect the efficiency of the System. In addition, the amount of rainfall and ground water table may also affect the efficiency of the System. Many factors including, but not limited to, natural forces, age, deterioration of materials and the load imposed on a System can cause the System to fail at any time. Broker recommends that Buyer obtain an independent evaluation of any System by a qualified sanitation professional during Buyer's inspection contingency period. Buyer should consult with their sanitation professional to determine if their report includes the tank only, or other additional components of the System such as pits and leach fields. Not all inspectors are licensed and licenses are not available for all types of inspection activities. In some cases, Buyer's lender as well as local government agencies may require System inspection. System-related maintenance costs may include, but not be limited to, locating, pumping or providing outlets to ground level. Brokers are unable to advise Buyer or Seller regarding System-related issues or associated costs, which may be significant. If Buyer and Seller agree to obtain a System inspection, Buyer and Seller are cautioned that the inspection cost may include, but not be limited to, the costs of locating, pumping or providing outlets to ground level. Brokers do not have expertise in this area.

**9. SOIL AND GEOLOGIC CONDITIONS:** Buyer and Seller are advised that real estate in California is subject to settling, slippage, contraction, expansion erosion, subsidence, earthquakes and other land movement. The Property may be constructed on fill or improperly compacted soil and may have inadequate drainage capability. Any of these matters can cause structural problems to improvements on the Property. Civil or geo-technical engineers are best suited to evaluate soil stability, grading, drainage and other soil conditions. Additionally, the Property may contain known or unknown mines, mills, caves or wells. If Buyer wants further information, Broker recommends that Buyer hire an appropriate professional. Not all inspectors are licensed and licenses are not available for all types of inspections. Brokers do not have expertise in this area.

**10. SQUARE FOOTAGE, LOT SIZE, BOUNDARIES AND SURVEYS:** Buyer and Seller are advised that only an appraiser or land surveyor, as applicable, can reliably confirm square footage, lot size, Property corners and exact boundaries of the Property. Representations regarding these items that are made in a Multiple Listing Service, advertisements, and from property tax assessor records are often approximations, or based upon inaccurate or incomplete records. Fences, hedges, walls or other barriers may not represent actual boundary lines. Unless otherwise specified by Broker in writing, Brokers have not verified any such boundary lines or any representations made by Seller or others concerning square footage, lot size, Property corners or exact boundaries. Standard title insurance does not insure the boundaries of the Property. If the exact square footage or lot size or location of Property corners or boundaries is an important consideration in Buyer's decision to purchase the Property and/or how much Buyer is willing to pay for the Property, then Buyer must independently conduct Buyer's own investigation through appropriate professionals, appraisers, or licensed surveyors and rely solely on their data, recognizing that a measurement may not be consistent and that different sources may have different size assessments. Brokers do not have expertise in this area.

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**11. WATER INTRUSION:** Buyer and Seller are advised that many homes suffer from water intrusion or leakage. The causes of water intrusion are varied, and can include defective construction, faulty grading, deterioration of building materials and absence of waterproof barriers. Water intrusion can cause serious damage to the Property. This damage can consist of wood rot, mold, mildew and even damage to the structural integrity of the Property. The cost of repairing and remediating water intrusion damage and its causes can be very significant. The existence and cause of water intrusion is often difficult to detect. Because you, your Broker or a general home inspector cannot visually observe any effects of water intrusion, Buyer and Seller should not assume that such intrusion does not exist. Broker recommends that Buyer have the Property inspected for water intrusion by an appropriate professional. Brokers do not have expertise in this area.

**12. WELL AND WATER SYSTEM(S):** Buyer and Seller are advised that the Property may be served by one or more water wells, springs, or private community or public water systems. Any of these private or public water systems may contain bacteria, chemicals, minerals and metals, such as chromium. Well(s) may have been abandoned on the Property. Buyer is advised to have both the quality and the quantity of water evaluated, and to obtain an analysis of the quality of any domestic and agricultural water in use, or to be used at the Property, from whatever source. Water quality tests can include not only tests for bacteria, such as coliform, but also tests for organic and inorganic chemicals, metals, mineral content and gross alpha testing for radioactivity. Broker recommends that Buyer consult with a licensed, qualified well and pump company and local government agency to determine whether any well/spring or water system will adequately serve Buyer's intended use and that Buyer have a well consultant perform an extended well output test for this purpose. Water well or spring capacity, quantity output and quality may change at any time. There are no guarantees as to the future water quality, quantity or duration of any well or spring. If Buyer wants further information, Broker(s) recommend that Buyer obtain an inspection of the condition, age, adequacy and performance of all components of the well/spring and any water system during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**13. WOOD DESTROYING PESTS:** Buyer and Seller are advised that the presence of, or conditions likely to lead to the presence of infestation or infection of wood destroying pests and organisms may adversely affect the Property. Inspection reports covering these items can be separated into two sections: Section 1 identifies areas where infestation or infection is evident. Section 2 identifies areas where there are conditions likely to lead to infestation or infection. If Buyer wants further information, Buyer is advised and Broker recommends that Buyer have the Property inspected for the existence of such conditions and organisms, and conditions that may lead to their formation, by a registered structural pest control company during Buyer's inspection contingency period. Brokers do not have expertise in this area.

## **B. Property Use and Ownership**

**1. ACCESSORY DWELLING UNITS:** Accessory Dwelling Units (ADUs) are known by many names: granny flats, in-law units, backyard cottages, secondary units and more. California has passed laws to promote the development of ADUs. Additional information about ADUs can be found at <http://hcd.ca.gov/policy-research/AccessoryDwellingUnits.shtml>. Buyer is advised to check with appropriate government agencies or third party professionals to verify permits and legal requirements and the effect of such requirements on current and future use and rentability of the Property, its development and size. Brokers do not have expertise in this area.

**2. BUILDING PERMITS, ZONING AND CODE COMPLIANCE:** Buyer and Seller are advised that any structure on the Property, including the original structure and any addition, modification, remodel or improvement may have been built without permits, not according to building codes, or in violation of zoning laws. Further, even if such structure was built according to the then-existing code or zoning requirement, it may not be in compliance with current building standards or local zoning. It is also possible that local law may not permit structures that now exist to be rebuilt in the event of damage or destruction. Certain governmental agencies may require periodic inspections to occur in the future. If Buyer wants further information, Broker(s) recommend that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**3. BUYER INTENDED FUTURE USE OF, AND MODIFICATIONS TO, THE PROPERTY:** Buyer and Seller are advised that Seller's existing use of the property may not be consistent with Buyer's intended use or any future use that Buyer makes of the property, whether or not Buyer has any current plans to change the use. Buyer is advised to check with appropriate government agencies or third party professionals to verify what legal requirements are needed to accommodate any change in use. In addition, neither Seller nor Broker make any representations as to what modifications Buyer can make to the Property after close of escrow as well as any cost factors associated with any such modifications. Buyer is advised to check with his own licensed contractor and other such professionals as well as with the appropriate government agencies to determine what modifications Buyer will be allowed to make after close of escrow. Brokers do not have expertise in this area.

**4. CALIFORNIA FAIR PLAN:** Buyer and Seller are advised that insurance for certain hillside, oceanfront and brush properties may be available only from the California Fair Plan. This may increase the cost of insurance for such properties and coverage may be limited. Broker(s) recommend that Buyer consult with Buyer's own insurance agent during Buyer's inspection contingency period regarding the availability of coverage under the California Fair Plan and the length of time it may take for processing of a California Fair Plan application. Brokers do not have expertise in this area.

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**5. FUTURE REPAIRS, REPLACEMENTS AND REMODELS:** Buyer and Seller are advised that replacement or repairs of certain systems or rebuilding or remodeling of all or a portion of the Property may trigger requirements that homeowners comply with laws and regulations that either come into effect after Close of Escrow or are not required to be complied with until the replacement, repair, rebuild or remodel has occurred. Permit or code requirements or building standards may change after Close of Escrow, resulting in increasing costs to repair existing features. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**6. HEATING VENTILATING AND AIR CONDITIONING SYSTEMS:** Changes to state and federal energy efficiency regulations impact the installation, replacement and some repairs of heating and air conditioning units (HVAC). Federal regulations now require manufacturers of HVAC units to produce only units meeting a new higher Seasonal Energy Efficiency Rating (SEER). This will likely impact repairs and replacements of existing HVAC units. State regulations now require that when installing or replacing HVAC units, with some exceptions, duct work must be tested for leaks. Duct work leaking more than 15 percent must be repaired to reduce leaks. The average existing duct work typically leaks 30 percent. More information is available at the California Energy Commission's website <http://www.energy.ca.gov/title24/changeout>. Home warranty policies may not cover such inspections or repairs. The phase out of the use of R-22 Freon will have an impact on repairs and replacement of existing air conditioning units and heat pumps. More information is available from the Environmental Protection Agency at <http://www.epa.gov/ozzone/title6/phaseout/22phaseout.html>. New efficiency standards are also in place for water heaters. As a consequence, replacement water heaters will generally be larger than existing units and may not fit in the existing space. Additional venting and other modifications may be required as well. More information is available from the U.S. Department of Energy at [http://www1.eere.energy.gov/buildings/appliance\\_standards/product.aspx/productid/27](http://www1.eere.energy.gov/buildings/appliance_standards/product.aspx/productid/27). If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**7. HISTORICAL DESIGNATION, COASTAL COMMISSION, ARCHITECTURAL, LANDSCAPE, AGRICULTURAL OR OPEN SPACE AND OTHER RESTRICTIONS ON BUILDINGS OR IMPROVEMENTS:** Buyer and Seller are advised that the Property may be: (i) designated as a historical landmark, (ii) protected by a historical conservancy, (iii) subject to an architectural or landscaping review process, (iv) within the jurisdiction of the California Coastal Commission or other government agency, or (v) subject to a contract preserving use of all or part of the Property for agriculture or open space. If the Property is so designated or within the jurisdiction of any such, or similar, government agency, then there may be restrictions or requirements regarding Buyer's ability to develop, remove or trim trees or other landscaping, remodel, make improvements to and build on or rebuild the Property. Broker(s) recommend that Buyer satisfy him/herself during Buyer's inspection contingency period if any of these issues are of concern to Buyer. Brokers do not have expertise in this area.

**8. INSURANCE, TITLE INSURANCE AND TITLE INSURANCE AFTER FORECLOSURE:** Buyer and Seller are advised that Buyer may have difficulty obtaining insurance regarding the Property if there has been a prior insurance claim affecting the Property or made by Buyer but unrelated to the Property. Seller is required by C.A.R. Form RPA to disclose known insurance claims made during the past five years (C.A.R. Form SPQ or ESD). Sellers may not be aware of claims prior to their ownership. If Buyer wants further information, Broker(s) recommend that, during Buyer's inspection contingency period, Buyer conduct his or her own investigation for past claims. Buyer may need to obtain Seller's consent in order to have access to certain investigation reports. If the Property is a condominium, or is located in a planned unit development or other common interest subdivision, Buyer and Seller are advised to determine if the individual unit is covered by the Homeowner's Association Insurance and the type of insurance coverage that Buyer may purchase. Broker(s) recommend that Buyer consult Buyer's insurance agents during Buyer's inspection contingency period to determine the need, availability and possibility of securing any and all forms of other insurance or coverage or any conditions imposed by insurer as a requirement of issuing insurance. If Buyer does any repairs to the property during the escrow period or Buyer takes possession prior to Close of Escrow or Seller remains in possession after Close of Escrow, whether for a limited or extended period of time, Broker(s) recommend that Buyer and Seller each consult with their own insurance agent regarding insurance or coverage that could protect them in the transaction (including but not limited to: personal property, flood, earthquake, umbrella and renter's). Buyer and Seller are advised that traditional title insurance generally protects Buyer's title acquired through the sale of the property. While all title insurance policies, as do all insurance policies, contain some exclusions, some title insurance policies contain exclusions for any liability arising from a previous foreclosure. This can occur when a short sale has occurred but the lender mistakenly has also proceeded with a foreclosure. Buyer is strongly advised to consult with a title insurer to satisfy themselves that the policy to be provided adequately protects their title to the property against other possible claimants. Brokers do not have expertise in this area.

**9. LAND LEASE:** Buyer and Seller are advised that certain developments are built on leased land. This means that: (i) Buyer does not own the land, (ii) the right to occupy the land will terminate at some point in time, (iii) the cost to lease the land may increase at some point in the future, and (iv) Buyer may not be able to obtain title insurance or may have to obtain a different type of title insurance. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an attorney or other appropriate professional. Brokers do not have expertise in this area.

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**10. MARIJUANA, CANNABIS, AND METHAMPHETAMINE LABS:** Buyer and Seller are advised that California law permits individual patients to cultivate, possess and use marijuana for medical purposes. Furthermore, California law permits primary caregivers, lawfully organized cooperatives, and collectives to cultivate, distribute and possess marijuana for medicinal purposes. California law also allows recreational use of marijuana for adults, as well as limited rights for individuals to grow and cultivate marijuana, and rights of others, subject to a licensing process, to grow, cultivate and distribute marijuana for recreational use. California's medical and recreational marijuana laws are in direct conflict with federal law which recognizes no lawful use for marijuana and has no exemptions for medical use. Federal criminal penalties, some of which mandate prison time, remain in effect for the possession, cultivation and distribution of marijuana. Buyer and Seller are strongly advised to seek legal counsel as to the legal risks and issues surrounding owning or purchasing a property where medical or any other marijuana activity is taking place. Marijuana storage, cultivation and processing carry the risk of causing mold, fungus or moisture damage to a property, additionally, some properties where marijuana has been cultivated have had alterations to the structure or the electrical system which may not have been done to code or with permits and may affect the safety of the structure or the safe operation of the electrical system. Buyer is strongly advised to retain an environmental hygienist contractor and other appropriate professionals to inspect a property where medical or any other marijuana activity has taken place. Broker recommends that Buyer and Seller involved with a property where there is medical marijuana activity or where it may take place review the California Attorney General's Guidelines for the "Security and Non-Diversion of Marijuana Grown for Medical Use" ([https://oag.ca.gov/system/files/attachments/press\\_releases/n1601\\_medicalmarijuanaguidelines.pdf](https://oag.ca.gov/system/files/attachments/press_releases/n1601_medicalmarijuanaguidelines.pdf)) and the U.S. Department of Justice memo regarding marijuana prosecutions at <https://www.justice.gov/opa/press-release/file/1022196/download>. Brokers do not have expertise in this area. While no state law permits the private production of methamphetamine, some properties have been the site of an illegal methamphetamine laboratory. State law imposes an obligation to notify occupants, a ban on occupying the property and clean up requirements when authorities identify a property as being contaminated by methamphetamine. Buyer is advised that a property where methamphetamine has been produced may pose a very serious health risk to occupants. Buyer is strongly advised to retain an environmental hygienist contractor or other appropriate professionals to inspect the property if methamphetamine production is suspected to have taken place. Brokers do not have expertise in this area.

**11. OWNER'S TITLE INSURANCE:** The Truth in Lending/RESPA integrated disclosure (TRID) established by the Consumer Financial Protection Bureau (CFPB) requires that lenders must tell borrowers that title insurance is "optional." While obtaining an owner's policy of title insurance may be "optional", it may be a contractual requirement as between Buyer and Seller. Furthermore, California Civil Code § 1057.6 requires that Buyers be provided with the following notice: "IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING."

Additionally, even the CFPB on its "ask CFPB" "What is owner's title insurance?" page advises "You may want to buy an owner's title insurance policy, which can help protect your financial interest in the home." Moreover, not obtaining an owner's policy may increase the cost of the lender's policy (required by most lenders), possibly require the separate purchase of a preliminary title report, and may have an impact on the sale of the Property in the future.

Buyers who decide to opt out of obtaining an owner's title insurance policy are acting against the advice of Brokers as well as the advice provided in the California Civil Code 1057.6 and by the CFPB. Brokers do not have expertise in this area.

**12. RENT AND EVICTION CONTROL LAWS AND ORDINANCES:** Buyer and Seller are advised that some cities and counties impose or may impose restrictions that limit the rent that can be charged to a tenant, the maximum number of tenants who can occupy the property, the right of a landlord to terminate a tenancy and the costs to do so. If Buyer wants further information, Broker(s) recommend that Buyer investigate the issue with an appropriate government authority or HOA during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**13. RETROFIT, BUILDING REQUIREMENTS, AND POINT OF SALE REQUIREMENTS:** Buyer and Seller are advised that state and local Law may require (i) the installation of operable smoke detectors, (ii) bracing or strapping of water heaters, and (iii) upon sale completion of a corresponding written statement of compliance that is delivered to Buyer. Although not a point of sale or retrofit obligation, state law may require the property to have operable carbon monoxide detection devices. Additionally, some city and county governments may impose additional retrofit standards at time of sale including, but not limited to, installing or retrofitting low-flow toilets and showerheads, gas shut-off valves, fireplaces, and tempered glass. Further, there may be potential health impacts from air pollution caused from burning wood. Exposure to particulate matter from the smoke may cause short-term and long-term health effects. Buyers should consult with licensed professional to inspect, properly maintain, and operate a wood burning stove or fireplace. Broker(s) recommend that Buyer and Seller consult with the appropriate government agencies, inspectors, and other professionals to determine the retrofit standards for the Property, the extent to which the Property complies with such standards, and the cost of any, of compliance. Brokers do not have expertise in this area.

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**14. SHORT TERM RENTALS AND RESTRICTIONS:** Buyer and Seller are advised that some cities, counties and Homeowner Associations (HOAs) do impose or may impose restrictions that limit or prohibit the right of the owner or occupant to rent-out the Property for short periods of time (usually 30 Days or less). In short term rentals, as well as all rentals, Buyer and Seller are advised to seek assistance to ensure compliance with all fair housing laws and regulations. If Buyer wants further information, Broker(s) recommend that Buyer investigate the issue with an appropriate government authority or HOA during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**15. VIEWS:** Buyer and Seller are advised that present views from the Property may be affected by future development or growth of trees and vegetation on adjacent properties and any other property within the line of sight of the Property. Brokers make no representation regarding the preservation of existing views. If Buyer wants further information, Broker(s) recommend that Buyer review covenants, conditions and restrictions, if any, and contact neighboring property owners, government agencies and homeowner associations, if any, during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**16. SWIMMING POOL, SECURITY AND SAFETY:** Buyer and Seller are advised that state and local Law may require the installation of barriers, anti-entrapment grates, access alarms, self-latching mechanisms, pool covers, exit alarms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property. Compliance requirements differ from city to city and county to county. Unless specifically agreed, the Property may not be in compliance with these requirements. If Buyer wants further information, Broker(s) recommend that Buyer contact local government agencies about these restrictions and other requirements. State law requires that new pools and spas be equipped with at least two of seven specified drowning prevention safety features. Home inspectors have a statutory obligation to perform a non-invasive physical examination of the pool area to identify which safety features are present. Brokers do not have expertise in this area.

**17. WATER SHORTAGES AND CONSERVATION:** Buyer and Seller are advised that the Property may be located in an area that could experience water shortages. The policies of local water districts and the city or county in which the Property is located can result in the occurrence of any or all of the following: (i) limitations on the amount of water available to the Property, (ii) restrictions on the use of water, and (iii) an increasingly graduated cost per unit of water use, including, but not limited to, penalties for excess usage. For further information, Broker recommends that Buyer contact the supplier of water to the Property regarding the supplier's current or anticipated policies on water usage and to determine the extent to which those policies may affect Buyer's intended use of the Property. If the Property is serviced by a private well, Buyer is advised that drought conditions and/or a low water table may make it necessary to arrange, through a private supplier, for delivery of water to the Property. Buyers should contact water truck companies for the costs involved. Brokers do not have expertise in this area.

**18. 1915 IMPROVEMENT BOND MELLO-ROOS COMMUNITY DISTRICT, AND OTHER ASSESSMENT DISTRICTS:** Buyer and Seller are advised that the Property may be subject to an improvement bond assessment under the Improvement Bond Act of 1915, a levy of a special tax pursuant to a Mello-Roos Community Facilities district, and/or a contractual assessment as provided in Section 5898.24 of the Streets And Highways Code or other assessment districts. Seller is generally required to make a good faith effort to obtain a disclosure notice from any local agency collecting such taxes and deliver such notice to Buyers. If there is a question as to whether an existing bond or assessment will be prorated as of the close of escrow, or whether Seller will pay off the bond or assessment at close of escrow, Buyers are advised to discuss the matter with the appropriate entity and address the responsibility for payment in negotiations for the purchase agreement or amendment prior to removing contingencies. Some cities and other localities have begun, or have the intention to begin, the process of requiring the replacement of utility poles by requiring that utility lines be buried underground. These projects can result in special tax assessments and set-up costs that are imposed on individual property owners. Brokers do not have expertise in this area.

## C. Off-Site and Neighborhood Conditions

**1. GOLF COURSE DISCLOSURES:** Buyer and Seller are advised that if the Property is located adjacent to or near a golf course the following may apply: (i) Stray golf balls - Any residence near a golf course may be affected by errant golf balls, resulting in personal injury or destruction to property. Golfers may attempt to trespass on adjacent property to retrieve golf balls even though the project restrictions may expressly prohibit such retrieval. (ii) Noise and lighting - The noise of lawn mowers irrigation systems and utility vehicles may create disturbances to homeowners. Maintenance operations may occur in the early morning hours. Residents living near the clubhouse may be affected by extra lighting, noise, and traffic. (iii) Pesticides and fertilizer use - A golf course may be heavily fertilized, as well as subjected to other chemicals during certain periods of the year. (iv) Irrigation system - Golf course sprinkler systems may cause water overspray upon adjacent property and structures. Also the irrigation system of a golf course may use reclaimed and retreated wastewater. (v) Golf carts - Certain lots may be affected more than others by the use of golf carts. Lots adjacent to a tee or putting green may be subject to noise disturbances and loss of privacy. (vi) Access to golf course from residences - It is likely that most residences will not have direct access from their lots to the golf course. The project restrictions may disclaim any right of access or other easements from a resident's lot onto the golf course. (vii) View obstruction - Residents living near a golf course may have their views over the golf course impacted by maturing trees and landscaping or by changes to the course's configuration. (viii) Water restrictions - As some municipalities face water shortages, there may be availability of water to the

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golf course may be restricted or otherwise reduced by the local water agency. If Buyer wants further information, Broker(s) recommend that Buyer contact the local water agency regarding this matter. Brokers do not have expertise in this area.

**2. NEIGHBORHOOD, AREA, PERSONAL FACTORS, BUYER INTENDED USE, HIGH SPEED RAILS, AND SMOKING RESTRICTIONS:** Buyer and Seller are advised that the following may affect the Property or Buyer's intended use of it: neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to medical marijuana growing or distribution locations, cell phone towers, manufacturing, commercial, industrial, airport or agricultural activities or military ordnance locations, existing and proposed transportation, construction, and development, any other source that may affect noise, view, traffic, or odor, wild and domestic animals, susceptibility to tsunami and adequacy of tsunami warnings, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally-protected sites or improvements, cemeteries, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer and FAA requirements for recreational and non-recreational use of Unmanned Aircraft Systems (UAS) (drones) (see UAS frequently asked questions <http://www.faa.gov/uas/faqs/>). California is potentially moving toward high speed rail service between Northern and Southern California. This rail line could have an impact on the Property if it is located nearby. More information on the timing of the project and routes is available from the California High-Speed Rail Authority at [www.cahighspeedrail.ca.gov/](http://www.cahighspeedrail.ca.gov/). The State of California has long-standing no smoking laws in place restricting smoking in most business and some public spaces. Local jurisdictions may enact laws that are more restrictive than state law. Many California cities have enacted restrictions on smoking in parks, public sidewalks, beaches and shopping areas. Some jurisdictions have restrictions entirely banning smoking inside privately owned apartments and condominiums as well as in the common areas of such structures, or limiting smoking to certain designated areas. If Buyer wants further information, Broker(s) recommend that Buyer contact local government agencies about these restrictions. Brokers do not have expertise in this area.

**3. NEIGHBORHOOD NOISE SOURCES:** Buyer and Seller are advised that even if the Property is not in an identified airport noise influence area, the Property may still be subject to noise and air disturbances resulting from airplanes and other aircraft, commercial or military or both, flying overhead. Other common sources of noise include nearby commercial districts, schools, traffic on streets, highways and freeways, trains and general neighborhood noise from people, dogs and other animals. Noise levels and types of noise that bother one person may be acceptable to others. Buyer is advised to satisfy him/herself with regard to any sources of and amounts of noise at different times of day and night. Brokers do not have expertise in this area.

**4. SCHOOLS:** Buyer and Seller are advised that children living in the Property may not, for numerous reasons, be permitted to attend the school nearest the Property. Various factors including, but not limited to, open enrollment policies, busing, overcrowding and class size reductions may affect which public school serves the Property. School district boundaries are subject to change. Buyer is advised to verify whether the Property is now, and at the Close of Escrow will be, in the school district Buyer understands it to be in and whether residing in the Property entitles a person to attend any specific school in which that Buyer is interested. Broker(s) recommend that Buyer contact the local school or school district for additional information during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**5. UNDERGROUND PIPELINES AND UTILITIES:** Throughout California underground pipelines transport natural gas, liquid fuel and other potentially hazardous materials. These pipelines may or may not provide utility services to the Property. Information about the location of some of the pipelines may be available from a company that also provides disclosures of natural and other hazards or from other sources of public maps or records. Proximity to underground pipelines, in and of itself, does not affirmatively establish the risk or safety of the property. If Buyer wants further information about these underground pipelines and utilities, Buyer is advised to consult with appropriate experts during Buyer's inspection contingency period. Brokers do not have expertise in this area.

## D. Legal Requirements (Federal, State and Local)

**1. DEATH ON THE PROPERTY:** California Civil Code Section 1710.2 protects a seller from: (i) failing to disclose a death on the property that occurred more than 3 years before a buyer has made an offer on a property; and (ii) failing to disclose if an occupant of a property was afflicted with HIV/AIDS, regardless of whether a death occurred or if so, when. Section 1710.2 does not protect a seller from making a misrepresentation in response to a direct inquiry. If the Buyer has any concerns about whether a death occurred on the Property or the manner, location, details or timing of a death, the buyer should direct any specific questions to the Seller in writing. Brokers do not have expertise in this area.

**2. EARTHQUAKE FAULT ZONES AND SEISMIC HAZARD ZONES:** Buyer and Seller are advised that California Public Resources Code Sections 2622 and 2696 require the delineation and mapping of "Earthquake Fault Zones" along known active faults and "Seismic Hazard Zones" in California. Affected cities and counties must regulate certain development projects within these zones. Construction or development on affected properties may be subject to the findings of a geological

report prepared by a registered California geologist. Generally, Seller must disclose if a property is located in a zone and can use a research company to aid in the process. If Buyer wants further information, Broker(s) recommend that

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during Buyer's inspection contingency period, Buyer make independent inquiries with such research companies or with appropriate government agencies concerning the use and improvement of the Property. Buyer is advised that there is a potential for earthquakes and seismic hazards even outside designated zones. Brokers do not have expertise in this area.

**3. EPA's LEAD-BASED PAINT RENOVATION, REPAIR AND PAINTING RULE:** The new rule requires that contractors and maintenance professionals working in pre-1978 housing, child care facilities, and schools with lead-based paint be certified; that their employees be trained; and that they follow protective work practice standards. The rule applies to renovation, repair, or painting activities affecting more than six square feet of lead-based paint in a room or more than 20 square feet of lead-based paint on the exterior. Enforcement of the rule begins October 1, 2010. See the EPA website at <http://www.epa.gov/lead> for more information. Buyer and Seller are advised to consult an appropriate professional. Brokers do not have expertise in this area.

**4. FIRE HAZARDS:** Buyer and Seller are advised that fires annually cause the destruction of thousands of homes. Due to varied climate and topography, certain areas have higher risks of fires than others. Certain types of materials used in home construction create a greater risk of fire than others. If the Property is located within a State Fire Responsibility Area or a Very High Fire Hazard Zone, generally Seller must disclose that fact to Buyer under California Public Resources Code Section 4136 and California Government Code Sections 51178 and 51183.5, and may use a research company to aid in the process. Owners of property may be assessed a fire prevention fee on each structure on each parcel in such zones. The fee may be adjusted annually commencing July 1, 2013. If Buyer wants further information, Broker recommends that, during Buyer's inspection contingency period, Buyer contact the local fire department and Buyer's insurance agent regarding the risk of fire. Buyer is advised that there is a potential for fires even outside designated zones. Brokers do not have expertise in this area.

**5. FIRPTA/CALIFORNIA WITHHOLDING:** Buyer and Seller are advised that: (i) Internal Revenue Code Section 1445, as of February 17, 2016, requires a Buyer to withhold and to remit to the Internal Revenue Service 15% of the purchase price of the property if the Seller is a non-resident alien, unless an express exemption applies. Only 10% needs to be withheld if the Buyer acquires the property as Buyer's residence and the price does not exceed \$1,000,000. Seller may avoid withholding by providing Buyer a statement of non-foreign status. The statement must be signed by Seller under penalty of perjury and must include Seller's tax identification number. Buyer can also avoid having to withhold Federal taxes from Seller's Proceeds if the property price is \$300,000 or less, and the Buyer signs an affidavit stating Buyer intends to occupy the property as a principal residence. (ii) California Revenue and Taxation Code Section 18662 requires that a Buyer withhold and remit to the California Franchise Tax Board 3 1/3% of the purchase price of the property unless the Seller signs an affidavit that the property was the Seller's (or the decedent's, if a trust or probate sale) principal residence or that the sales price is \$100,000 or less or another express exemption applies. Exemptions from withholding also apply to legal entities such as corporations, LLCs, and partnerships. Brokers cannot give tax or legal advice. Broker recommends that Buyer and Seller seek advice from a CPA, attorney or taxing authority. Brokers do not have expertise in this area.

**6. FLOOD HAZARDS:** Buyer and Seller are advised that if the Property is located within a Special Flood Hazard Area, as designated by the Federal Emergency Management Agency (FEMA), or an area of Potential Flooding pursuant to California Government Code Section 8589.3, generally Seller must disclose this fact to Buyer and may use a research company to aid in the process. The National Flood Insurance Program was established to identify all flood plain areas and establish flood-risk zones within those areas. The program mandates flood insurance for properties within high-risk zones if loans are obtained from a federally-regulated financial institution or are insured by any agency of the United States Government. The extent of coverage and costs may vary. If Buyer wants further information, Broker(s) recommend that Buyer consult his or her lender and/or insurance agent during Buyer's inspection contingency period. Buyer is advised that there is a potential for flooding even outside designated zones. Brokers do not have expertise in this area.

**7. MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specific registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at <http://www.meganslaw.ca.gov/>. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers, in any, are required to check this website. If Buyer wants further information, Buyer should obtain information directly from this website.) Brokers do not have expertise in this area.

**8. NOTICE OF YOUR SUPPLEMENTAL PROPERTY TAX BILL; ACCURATE SALES PRICE REPORTING:** Buyer and Seller are advised that pursuant to Civil Code § 1102.6(c), Seller, or his or her agent, is required to provide the following notice to the Buyer:

"California property tax law requires the Assessor to revalue real property at the time the ownership of property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes.

The supplemental tax bills are not mailed to your lender. Even if you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector. If you have any questions concerning this matter, please call our Tax Collector's Office."

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Although the notice refers to loan closing as a trigger, it is actually the change of ownership which triggers this reassessment of property taxes. Therefore, the Property can be reassessed even if there is no loan involved in the purchase of the Property. The Purchase Agreement may allocate supplemental tax bills received after the Close of Escrow to the Buyer. A change (preliminary change) of ownership form is generally required to be filed by the Buyer with the local taxing agency. The form identifies the sales price of the Property. An assessor may value the Property at its fair market value regardless of the sales price declared by the Buyer. If Buyer wants further information concerning these matters, Broker(s) recommend that Buyer discuss the issue with the County Assessor or Tax Collector or their own tax or legal advisor. Brokers do not have expertise in this area.

**9. ZONE MAPS MAY CHANGE:** Maps that designate, among other things, Earthquake Fault Zones, Seismic Hazard Zones, State Fire Responsibility Areas, Very High Fire Hazard Zones, Special Flood Hazard Areas, and Potential Flooding Areas are occasionally redrawn by the applicable Government Agency. Properties that are currently designated in a specified zone or area could be removed and properties that are not now designated in a specified zone or area could be placed in one or more such zones or areas in the future. A property owner may dispute a FEMA flood hazard location by submitting an application to FEMA. Brokers do not have expertise in this area.

## E. Contract Related Issues and Terms

**1. ARBITRATION:** Buyer and Seller are advised that arbitration is a process by which the disputing parties hire a neutral person to render a binding decision. Generally, arbitration is faster and less expensive than resolving disputes by litigating in court. The rules are usually less formal than in court, and it is a private process not a matter of public record. By agreeing to arbitration, the parties give up the right to a jury trial and to appeal the arbitrator's decision. Arbitration decisions have been upheld even when arbitrators have made a mistake as to the law or the facts. If the parties agree to arbitration, then after first attempting to settle the dispute through mediation, any dispute arising out of their agreement (with a few limited exceptions) must be submitted to binding arbitration. Buyer and Seller must weigh the benefits of a potentially quicker and less expensive arbitration against giving up the right to a jury trial and the right to appeal. Brokers cannot give legal advice regarding these matters. Buyers and Sellers must decide on their own, or with the advice of legal counsel, whether to agree to arbitration. Brokers do not have expertise in this area.

**2. ELECTRONIC SIGNATURES:** The ability to use electronic signatures to sign legal documents is a great convenience, facilitating the ability to send and receive documents and reach agreement in a real estate transaction. However, Buyers and Sellers are cautioned to carefully read each provision. Arrows indicating "sign here" are merely there for the convenience of finding the next signature line. Only sign if you have taken the time necessary to read each document thoroughly, have full knowledge, and consent to the terms provided in the document. Brokers strongly advise Buyers and Sellers to read the entire document before signing even if they have reviewed an earlier draft. Do not just scroll through or skip to the next signature line. You are signing a legally binding agreement. Read it carefully. Ask your Broker, Agent or legal advisor if you have questions or do not understand a provision, and sign only if you agree to be bound by the terms. Brokers do not have expertise in this area.

**3. ESCROW FUNDS:** Buyer and Seller are advised that California Insurance Code Section 12413.1 provides that escrow companies cannot disburse funds unless there are sufficient "good funds" to cover the disbursement. "Good funds" are defined as cash, wire transfers and cashiers' or certified checks drawn on California depositories. Escrow companies vary in their own definitions of "good funds." Broker(s) recommend that Buyer and Seller ask the escrow company regarding its treatment of "good funds." All samples and out-of-state checks are subject to waiting periods and do not constitute "good funds" until the money is physically transferred to and received by the escrow holder. Brokers do not have expertise in this area.

**4. HOME WARRANTY:** Buyer and Seller are advised that Buyer and Seller can purchase home warranty plans covering certain standard systems of the Property both before and after Close of Escrow. Seller can obtain coverage for the Property during the listing period. For an additional premium, an upgraded policy providing additional coverage for air conditioning, pool and spa and other features can be purchased. Home warranties do not cover every aspect of the Property and may not cover inspections or upgrades for repairs required by state or federal laws or pre-existing conditions. Broker(s) recommend that Buyer review the policy for details. Brokers do not have expertise in this area.

**5. IDENTIFICATION OF NATURAL PERSONS BEHIND SHELL COMPANIES IN ALL-CASH TRANSACTIONS:** The U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN) has issued Geographic Targeting Orders (GTOs) targeting alleged money laundering risk in the real estate sector. The GTOs will temporarily require U.S. title insurance companies to identify the natural persons behind shell companies used to pay "all cash" for high-end residential real estate in certain major metropolitan areas. FinCEN explained that it remains concerned that all-cash purchases (i.e., those without bank financing) may be conducted by individuals attempting to hide their assets and identity by purchasing residential properties through limited liability companies or other similar structures. Since the

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original issuance, the GTOs have been renewed and may continue to be renewed. The GTOs cover the following areas in California: Los Angeles, San Francisco, San Mateo, Santa Clara and San Diego Counties. The monetary thresholds for each county is \$2 million. GTOs have helped law enforcement identify possible illicit activity. FinCEN reported that a significant portion of covered transactions have dictated possible criminal activity associated with the individuals reported to be the beneficial owners behind shell company purchasers. Brokers do not have expertise in this area.

**6. LIQUIDATED DAMAGES:** Buyer and Seller are advised that a liquidated damages clause is a provision Buyer and Seller can use to agree in advance to the amount of damages that a seller will receive if a buyer breaches the Agreement. The clause usually provides that a seller will retain a buyer's initial deposit paid if a buyer breaches the agreement, and generally must be separately initialed by both parties and meet other statutory requirements to be enforceable. For any additional deposits to be covered by the liquidated damages clause, there generally must be another separately signed or initialed agreement (see C.A.R. Form RID). However, if the Property contains from 1 to 4 units, one of which a buyer intends to occupy, California Civil Code Section 1675 limits the amount of the deposit subject to liquidated damages to 3% of the purchase price. Even though both parties have agreed to a liquidated damages clause, an escrow company will usually require either a judge's or arbitrator's decision or instructions signed by both parties in order to release a buyer's deposit to a seller. Buyers and Sellers must decide on their own, or with the advice of legal counsel, whether to agree to a liquidated damages clause. Brokers do not have expertise in this area.

**7. MEDIATION:** Buyer and Seller are advised that mediation is a process by which the parties hire a neutral person to facilitate discussion and negotiation between the parties with the goal of helping them reach a settlement of their dispute. The parties generally share in the cost of this confidential, non-binding negotiation. If no agreement is reached, either party can pursue further legal action. Under C.A.R. Form RPA-CA: (i) the parties must mediate any dispute arising out of their agreement (with a few limited exceptions, such as matters within the jurisdiction of a small claims court) before they resort to arbitration or court, and (ii) if a party proceeds to arbitration or court without having first attempted to mediate the dispute, that party risks losing the right to recover attorney fees and costs even if he or she prevails. Brokers do not have expertise in this area.

**8. NON CONFIDENTIALITY OF OFFERS:** Buyer is advised that Seller or Listing Agent may disclose the existence, terms, or conditions of Buyer's offer, unless all parties and their agent have signed a written confidentiality agreement (such as C.A.R. Form CND). Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the Listing Agent's marketing strategy and the instructions of the Seller. Brokers do not have expertise in this area.

**9. ONLINE OR WIRE FUNDS TRANSFERS:** Instructions for the online or wire transfer of escrow deposits have been known to be intercepted by hackers who alter them so that Buyer's funds are actually wired to accounts controlled by criminals rather than the escrow company. Buyers should exercise extreme caution in making electronic funds transfers, verifying that the organization they are transferring funds to is, in fact, the escrow company and that their own bank account information is not being exposed. See C.A.R. Form WFA for further information. Brokers do not have expertise in this area.

## F. Other Factors Affecting Property

**1. COMMUNITY ENHANCEMENT AND PRIVATE TRANSFER FEES:** Buyer and Seller are advised that some areas or communities may have enhancement fees or user-type fees, or private transfer taxes and fees, over and above any stated fees. The Federal Housing Finance Agency has issued a rule that prohibits Fannie Mae and Freddie Mac from purchasing loans made on properties with private transfer fees if those fees were established on or after February 8, 2011. See title 12 Code of Federal Regulations Section 1228 for more information and exceptions. Private transfer fees: (i) may last for a fixed period of time or in perpetuity, (ii) are typically calculated as a percentage of the sales price, and (iii) may have private parties, charitable organizations or interest-based groups as their recipients who may use the funds for social issues unrelated to the property. Brokers do not have expertise in this area.

**2. GENERAL RECALL/DEFECTIVE PRODUCT/CLASS ACTION INFORMATION:** Buyer and Seller are advised that government entities and manufacturers may at any time issue recall notices and/or warnings about products that may be present in the Property, and that these notices or warnings can change. The following nonexclusive, non-exhaustive list contains examples of recalled/defective products/class action information: horizontal furnaces; Whirlpool Microwave Hood Combination; RE-ConBuilding products roof tiles; Central Sprinkler Company Fire Sprinklers; Robert Shaw Water Heater Gas Control Valves; Trex Decking; water heaters; aluminum wiring; galvanized, abs, polybutylene PEX, KITEC® and copper pipe; and dry wall manufactured in China. There is no single, all-inclusive source of information on product recalls, defective products or class actions; however, the U.S. Consumer Product Safety Commission (CPSC) maintains a website that contains useful information. If Buyer wants further information regarding the items listed above, Broker(s) recommend that Buyer review the CPSC website at <http://www.cpsc.gov/> during Buyer's inspection contingency period. Another source affiliated with the CPSC is <http://saferproducts.gov/> which allows a buyer to search by product type or product name. Buyer may also search using the various search engines on the internet for the specified product

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or products in question. Brokers recommend that Buyer satisfy themselves regarding recalled or defective products. Brokers will not determine if any aspect of the Property is subject to a recall or is affected by a class action lawsuit. Brokers do not have expertise in this area.

**3. HOMEOWNER ASSOCIATIONS AND COVENANTS, CONDITIONS AND RESTRICTIONS ("CC&Rs"); CHARGING STATIONS; FHA/VA APPROVAL:** Buyer and Seller are advised that if the Property is a condominium, or located in a planned unit development, or in a common interest subdivision, there are typically restrictions on use of the Property and rules that must be followed. Restrictions and rules are commonly found in Declarations and other governing documents. Further there is likely to be a homeowner association (HOA) that has the authority to affect the Property and its use. Whether or not there is a HOA, the Property may still be subject to CC&Rs restricting use of the Property. The HOA typically has the authority to enforce the rules of the association, assess monetary payments (both regular monthly dues and special assessments) to provide for the upkeep and maintenance of the common areas, and enforce the rules and assessment obligations. If you fail to abide by the rules or pay monies owed to the HOA, the HOA may put a lien against your Property. Additionally, if an electric vehicle charging station is installed in a common area or an exclusive use common area, each Seller whose parking space is on or near that charging station must disclose its existence and that the Buyer will have the responsibilities set forth in California Civil Code §4745. The law requires the Seller to provide the Buyer with the CC&Rs and other governing documents, as well as a copy of the HOA's current financial statement and operating budget, among other documents. Effective July 1, 2016, a Common Interest Development (CID) will be required to include in its annual budget report a separate statement describing the status of the CID as a Federal Housing Administration or Department of Veterans Affairs approved Development. While the purchase agreement and the law require that the annual budget be provided by Seller to Buyer, Brokers will not and cannot verify the accuracy of information provided by the CID. Buyer is advised to carefully review all HOA documents provided by Seller and the CC&Rs, if any, and satisfy him/herself regarding the use and restrictions of the Property, the amount of monthly dues and/or assessments, the adequacy of reserves, current and past insurance coverage and claims, and the possibility of any legal action that may be taken by or against the HOA. The HOA may not have insurance or may not cover personal property belonging to the owner of the unit in the condominium, common interest or planned unit development. For more information Buyer may request from Broker the C.A.R. Legal Q&A titled: "Homeowners' Associations: A Guide for REALTORS®". Brokers do not have expertise in this area.

**4. LEGAL ACTION:** Buyer and Seller are advised that if Seller or a previous owner was involved in a legal action (litigation or arbitration) affecting the Property, Buyer should obtain and review public and other available records regarding the legal action to determine: (i) whether the legal action or any resolution of it affects Buyer and the Property, (ii) if any rights against any parties involved in the legal action survive the legal action or have been terminated or waived as a result of the legal action, whether or not involving the same issue as in the legal action, and (iii) if any recommendations or requirements resulting from the legal action have been fulfilled and, if so, that Buyer is satisfied with any such action. Buyer should seek legal advice regarding these matters. Brokers do not have expertise in this area.

**5. MARKETING; INTERNET ADVERTISING; INTERNET BLOGS; SOCIAL MEDIA:** Buyer and Seller are advised that Broker may employ a "staging" company to assist in the presentation of the Property. The furnishings and decorations in the staging are generally not included in the sale unless specifically noted in the Agreement. Statements and inclusion in the MLS entry, flyers, and other marketing materials are NOT part of the Agreement. In addition, Broker may employ a service to provide a "virtual tour" or "virtual staging" or Internet marketing of the Property, permitting potential buyers to view the Property over the Internet. While they are supposed to be an accurate representation of the property, the photos may be enhanced and not fully representative of the actual condition of the property. Further, neither the service provider nor Broker have total control over who will obtain access to materials placed on the internet or what action such persons might take. Additionally, some Internet sites and other social media provide formats for comments or opinions of value of properties that are for sale. Information on the Property, or its owner, neighborhood, or any homeowner association having governance over the Property may be found on the internet on individual web sites, blogs, Facebook pages, or other social media. Any such information may be accurate, speculative, truthful or lies, and it may or may not reflect the opinions or representations by the Broker. Broker will not investigate any such sites, blogs, social media or other internet sites or the representations contained therein. Buyer is advised to make an independent search of electronic media and online sources prior to removing any investigation contingency. Buyer and Seller are advised that Broker has no control over how long the information or photos concerning the Property will be available on the Internet or through social media, and Broker will not be responsible for removing any such content from the internet or MLS. Brokers do not have expertise in this area.

**6. PACE LOANS AND LIENS:** The acronym PACE stands for Property Assessed Clean Energy. PACE programs allow property owners to finance energy and water conservation improvements and pay for them through an assessment on the owner's property. PACE programs are available in most areas for both residential one to four unit properties and commercial properties. PACE programs may be referred to by different names such as HERO or SCEIP, among others. If a PACE project is approved, an assessment lien is placed on a property for the amount owed plus interest. A property owner repays the entity for the improvements as a special tax assessment on the property tax bill over a period of years. A PACE lien is similar to a property tax lien in that it has "super priority." Sellers are obligated to disclose, pursuant to the C.A.R. Residential Purchase Agreement (C.A.R. Form RPA), whether any improvement is subject to a lien such as a PACE lien. Properties that are subject to PACE liens made on or after July 6, 2010 may not be eligible for financing. For more information Buyer may request from Broker the C.A.R. Legal Q&A titled: "PACE Programs and Solar Leases". Brokers do not have expertise in this area.

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7. **RE-KEYING:** All locks should be re-keyed immediately upon close of escrow so as to ensure the Buyer's safety and security of their persons as well as their personal belongings. Alarms, if any, should be serviced by professionals and codes should be changed. Garage door openers and remotes should be re-coded. In the event of a lease back to Seller after the close of escrow, Seller is advised that the Buyer is entitled to the keys as the Owner of the Property even though the Seller stays in possession of the Property as provided in the RPA.

8. **SOLAR PANEL LEASES:** Solar panel or power systems may be owned or leased. Although leased systems are probably personal property, they are included in the sale by the C.A.R. purchase agreement which also obligates the Seller to make a disclosure to the Buyer and provide the Buyer with documentation concerning the lease and system. Leasing companies generally secure payments by filing a UCC-1 (a Uniform Commercial Code form giving notice of a creditor's security interest) against the property. Buyers are given a contingency right to investigate the solar related system and documentation and assume any lease. Assumption of the lease may require Buyer to provide financial information to the leasing company who may require a credit report be obtained on the Buyer. Should a solar panel or power system be on the Property, Buyers should determine if the system is leased or owned. Buyers willingness to assume any such lease is a contingency in favor of Seller. For more information, Buyer may request from Broker the C.A.R. Legal Q&A titled: "PACE Programs and Solar Leases". Brokers do not have expertise in this area.

9. **RECORDING DEVICES:** Audio or video recording devices or both may be present on the Property, whether or not notice of any such devices has been posted. Seller may or may not even be aware of the capability of such devices.

## G. Local Disclosures and Advisories

### 1. LOCAL ADVISORIES OR DISCLOSURES (IF CHECKED):

The following disclosures or advisories are attached:

- A. ☐  
B. ☐  
C. ☐  
D. ☐

Buyer and Seller are encouraged to read all 14 pages of this Advisory carefully. By signing below, Buyer and Seller acknowledge that each has read, understands and received a copy of all 14 pages of this Advisory.

BUYER Robert Dickinson Date 11/9/2018  
BUYER Michael Marler Date 11/9/2018  
(Address) 1356774939744B4  
SELLER Loel R. Clark Date 11/9/18  
SELLER Douglas Woodward Date 11/9/18  
(Address) \_\_\_\_\_

Real Estate Broker (Selling Firm) Mountain Country Realty, Inc. DRE Lic. # 01016228  
By Keith Binkley DRE Lic. # 01164400 Date 11/9/2018  
Address P.O. Box 420 ( 229 North State Hwy 173 ) City Lake Arrowhead State CA Zip 92352-0420  
Telephone (310)413-8589 Fax (909)337-2618 Email keith@keithbinkley.com

Real Estate Broker (Listing Firm) Barnett Real Estate DRE Lic. # 02015029  
By Jody Barnett DRE Lic. # 01300312 Date \_\_\_\_\_  
Address 22365 Barton Road, Suite # 204 City Grand Terrace State CA Zip 92313  
Telephone (909)203-9874 Fax (909)219-5547 Email jodybarnett1@gmail.com

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**SELLER PROPERTY QUESTIONNAIRE**  
(C.A.R. Form SPQ, Revised 6/18)

This form is not a substitute for the Real Estate Transfer Disclosure Statement (TDS). It is used by the Seller to provide additional information when a TDS is completed. If Seller is exempt from completing a TDS, Seller should complete an Exempt Seller Disclosure (C.A.R. Form ESD) or may use this form instead.

I. Seller makes the following disclosures with regard to the real property or manufactured home described as  
225 Birchwood Drive, Assessor's Parcel No. 0333-882-29

situated in Lake Arrowhead, County of San Bernardino California ("Property").

II. The following are representations made by the Seller and are not the representations of the Agent(s), if any. This disclosure statement is not a warranty of any kind by the Seller or any agents(s) and is not a substitute for any inspections or warranties the principal(s) may wish to obtain. This disclosure is not intended to be part of the contract between Buyer and Seller. Unless otherwise specified in writing, Broker and any real estate licensee or other person working with or through Broker has not verified information provided by Seller. A real estate broker is qualified to advise on real estate transactions. If Seller or Buyer desires legal advice, they should consult an attorney.

III. Note to Seller: PURPOSE: To tell the Buyer about known material or significant items affecting the value or desirability of the Property and help to eliminate misunderstandings about the condition of the Property.

- Answer based on actual knowledge and recollection at this time.
- Something that you do not consider material or significant may be perceived differently by a Buyer.
- Think about what you would want to know if you were buying the Property today.
- Read the questions carefully and take your time.
- If you do not understand how to answer a question, or what to disclose or how to make a disclosure in response to a question, whether on this form or a TDS, you should consult a real estate attorney in California of your choosing. A broker cannot answer the questions for you or advise you on the legal sufficiency of any answers or disclosures you provide.

IV. Note to Buyer: PURPOSE: To give you more information about known material or significant items affecting the value or desirability of the Property and help to eliminate misunderstandings about the condition of the Property.

- Something that may be material or significant to you may not be perceived the same way by the Seller.
- If something is important to you, be sure to put your concerns and questions in writing (C.A.R. form BMI).
- Sellers can only disclose what they actually know. Seller may not know about all material or significant items.
- Seller's disclosures are not a substitute for your own investigations, personal judgments or common sense.

V. SELLER AWARENESS: For each statement below, answer the question "Are you (Seller) aware of..." by checking either "Yes" or "No." Explain any "Yes" answers in the space provided or attach additional comments and check section VI.

A. STATUTORILY OR CONTRACTUALLY REQUIRED OR RELATED: ARE YOU (SELLER) AWARE OF...

- |  |                              |                             |
|--|------------------------------|-----------------------------|
| 1. Within the last 3 years, the death of an occupant of the Property upon the Property .....   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. An Order from a government health official identifying the Property as being contaminated by methamphetamine. (If yes, attach a copy of the Order.) ..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. The release of an illegal controlled substance on or beneath the Property .....   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. Whether the Property is located in or adjacent to an "industrial use" zone .....  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (In general, a zone or district allowing manufacturing, commercial or airport uses.)   |                              |                             |
| 5. Whether the Property is affected by a nuisance created by an "industrial use" zone. ....  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 6. Whether the Property is located within 1 mile of a former federal or state ordnance location. ....  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (In general, an area once used for military training purposes that may contain potentially explosive munitions.)   |                              |                             |
| 7. Whether the Property is a condominium or located in a planned unit development or other common interest subdivision. ....                                 | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 8. Insurance claims affecting the Property within the past 5 years .....   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 9. Matters affecting title of the Property .....   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 10. Material facts or defects affecting the Property not otherwise disclosed to Buyer .....  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 11. Plumbing fixtures on the Property that are non-compliant plumbing fixtures as defined by Civil Code Section 1101.3 .....                                 | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Explanation, or ☐ (if checked) see attached; \_\_\_\_\_

Buyer's Initials ( ) ( )

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**COUNTER OFFER**

Seller's Initials ( ) ( )

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SELLER PROPERTY QUESTIONNAIRE (SPQ PAGE 1 OF 4)

Mtn Country Realty, Inc., PO Box 420 Lake Arrowhead CA 92352-0420  
Keith Binkley

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Property Address: **225 Birchwood Drive, Lake Arrowhead, CA 92352**

Date: **November 8, 2018**

**B. REPAIRS AND ALTERATIONS:**

**ARE YOU (SELLER) AWARE OF...**

1. Any alterations, modifications, replacements, improvements, remodeling or material repairs on the Property (including those resulting from Home Warranty claims) ..... ☐ Yes ☐ No
2. Any alterations, modifications, replacements, improvements, remodeling, or material repairs to the Property done for the purpose of energy or water efficiency improvement or renewable energy? ..... ☐ Yes ☐ No
3. Ongoing or recurring maintenance on the Property (for example, drain or sewer clean-out, tree or pest control service) ..... ☐ Yes ☐ No
4. Any part of the Property being painted within the past 12 months. .... ☐ Yes ☐ No
5. Whether the Property was built before 1978. .... ☐ Yes ☐ No
  - (a) If yes, were any renovations (i.e., sanding, cutting, demolition) of lead-based paint surfaces started or completed. .... ☐ Yes ☐ No
  - (b) If yes to (a), were such renovations done in compliance with the Environmental Protection Agency Lead-Based Paint Renovation Rule? ..... ☐ Yes ☐ No

Explanation: \_\_\_\_\_

**C. STRUCTURAL, SYSTEMS AND APPLIANCES:**

**ARE YOU (SELLER) AWARE OF...**

1. Defects in any of the following, (including past defects that have been repaired): heating, air conditioning, electrical, plumbing (including the presence of polybutylene pipes), water, sewer, waste disposal or septic system, sump pumps, well, roof, gutters, chimney, fireplace, foundation, crawl space, attic, soil, grading, drainage, retaining walls, interior or exterior doors, windows, walls, ceilings, floors or appliances ..... ☐ Yes ☐ No
2. The leasing of any of the following on or serving the Property: solar system, water softener system, water purifier system, alarm system, or propane tank (s) ..... ☐ Yes ☐ No
3. An alternative septic system on or serving the Property. .... ☐ Yes ☐ No

Explanation: \_\_\_\_\_

**D. DISASTER RELIEF, INSURANCE OR CIVIL SETTLEMENT:**

**ARE YOU (SELLER) AWARE OF...**

1. Financial relief or assistance, insurance or settlement, sought or received, from any federal, state, local or private agency, insurer or private party, by past or present owners of the Property, due to any actual or alleged damage to the Property arising from a flood, earthquake, fire, other disaster, or occurrence or defect, whether or not any money received was actually used to make repairs ..... ☐ Yes ☐ No

Explanation: \_\_\_\_\_

**E. WATER-RELATED AND MOLD ISSUES:**

**ARE YOU (SELLER) AWARE OF...**

1. Water intrusion into any part of any physical structure on the Property; leaks from or in any appliance, pipe, slab or roof; standing water, drainage, flooding, underground water, moisture, water-related soil settling or slippage, on or affecting the Property ..... ☐ Yes ☐ No
2. Any problem with or infestation of mold, mildew, fungus or spores, past or present, on or affecting the Property ..... ☐ Yes ☐ No
3. Rivers, streams, flood channels, underground springs, high water table, floods, or tides, on or affecting the Property or neighborhood ..... ☐ Yes ☐ No

Explanation: \_\_\_\_\_

**F. PETS, ANIMALS AND PESTS:**

**ARE YOU (SELLER) AWARE OF...**

1. Pets on or in the Property ..... ☐ Yes ☐ No
  2. Problems with livestock, wildlife, insects or pests on or in the Property ..... ☐ Yes ☐ No
  3. Past or present odors, urine, feces, discoloration, stains, spots or damage in the Property, due to any of the above ..... ☐ Yes ☐ No
  4. Past or present treatment or eradication of pests or odors, or repair of damage due to any of the above. .... ☐ Yes ☐ No
- If so, when and by whom \_\_\_\_\_

Explanation: \_\_\_\_\_

**SUBJECT TO  
COUNTER OFFER**

Buyer's Initials ( ) ( )  
SPQ REVISED 6/18 (PAGE 2 OF 4)

SELLER PROPERTY QUESTIONNAIRE (SPQ PAGE 2 OF 4)

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225 Birchwood



**Exhibit 4**



EpdvTjho!Fowf!E:176: 24DEC.5CE: .5773.9C: 5.2B4ED: 77F95E

Property Address: 225 Birchwood Drive, Lake Arrowhead, CA 92352

Date: November 8, 2018

**G. BOUNDARIES, ACCESS AND PROPERTY USE BY OTHERS:**

**ARE YOU (SELLER) AWARE OF...**

1. Surveys, easements, encroachments or boundary disputes ..... ☐ Yes ☐ No
2. Use or access to the Property, or any part of it, by anyone other than you, with or without permission, for any purpose, including but not limited to, using or maintaining roads, driveways or other forms of ingress or egress or other travel or drainage ..... ☐ Yes ☐ No
3. Use of any neighboring property by you ..... ☐ Yes ☐ No

Explanation: \_\_\_\_\_

**H. LANDSCAPING, POOL AND SPA:**

**ARE YOU (SELLER) AWARE OF...**

1. Diseases or infestations affecting trees, plants or vegetation on or near the Property ..... ☐ Yes ☐ No
2. Operational sprinklers on the Property ..... ☐ Yes ☐ No
  - (a) If yes, are they ☐ automatic or ☐ manually operated.
  - (b) If yes, are there any areas with trees, plants or vegetation not covered by the sprinkler system ... ☐ Yes ☐ No
3. A pool heater on the Property ..... ☐ Yes ☐ No
  - If yes, is it operational? ..... ☐ Yes ☐ No
4. A spa heater on the Property ..... ☐ Yes ☐ No
  - If yes, is it operational? ..... ☐ Yes ☐ No
5. Past or present defects, leaks, cracks, repairs or other problems with the sprinklers, pool, spa, waterfall, pond, stream, drainage or other water-related decor including any ancillary equipment, including pumps, filters, heaters and cleaning systems, even if repaired ..... ☐ Yes ☐ No

Explanation: \_\_\_\_\_

**I. CONDOMINIUMS, COMMON INTEREST DEVELOPMENTS AND OTHER SUBDIVISIONS: (IF APPLICABLE)**

**ARE YOU (SELLER) AWARE OF...**

1. Any pending or proposed dues increases, special assessments, rules changes, insurance availability issues, or litigation by or against or fines or violations issued by a Homeowner Association or Architectural Committee affecting the Property. .... ☐ Yes ☐ No
2. Any declaration of restrictions or Architectural Committee that has authority over improvements made on or to the Property ..... ☐ Yes ☐ No
3. Any improvements made on or to the Property without the required approval of an Architectural Committee or inconsistent with any declaration of restrictions or Architectural Committee requirement. .... ☐ Yes ☐ No

Explanation: \_\_\_\_\_

**J. TITLE, OWNERSHIP LIENS, AND LEGAL CLAIMS:**

**ARE YOU (SELLER) AWARE OF...**


1. Any other person or entity on title other than Seller(s) signing this form ..... ☐ Yes ☐ No
2. Leases, options or claims affecting or relating to title or use of the Property ..... ☐ Yes ☐ No
3. Past, present, pending or threatened lawsuits, settlements, mediations, arbitrations, tax liens, mechanics' liens, notice of default, bankruptcy or other court filings, or government hearings affecting or relating to the Property, Homeowner Association or neighborhood ..... ☐ Yes ☐ No
4. Any private transfer fees, triggered by a sale of the Property, in favor of private parties, charitable organizations, interest based groups or any other person or entity ..... ☐ Yes ☐ No
5. Any PACE lien (such as HERO or SCEIP) or other lien on your Property securing a loan to pay for an alteration, modification, replacement, improvement, remodel or material repair of the Property? ☐ Yes ☐ No
6. The cost of any alteration, modification, replacement, improvement, remodel or material repair of the Property being paid by an assessment on the Property tax bill? ..... ☐ Yes ☐ No

Explanation: \_\_\_\_\_

**K. NEIGHBORHOOD:**

1. Neighborhood noise, nuisance or other problems from sources such as, but not limited to, the following: neighbors, traffic, parking congestion, airplanes, trains, light rail, subway, trucks, ..... ☐ Yes ☐ No

Buyer's Initials ( ) ( )

 Seller's Initials ( ) ( )

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SELLER PROPERTY QUESTIONNAIRE (SPQ PAGE 3 OF 4)

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225 Birchwood



**SUBJECT TO  
COUNTER OFFER**

**Exhibit 4**



EpdvTjhoIFowf ipqf IJE: 176: 24DEC.5CE: .5773.9C: 5.2B4ED: 77F95E

Property Address: 225 Birchwood Drive, Lake Arrowhead, CA 92352

Date: November 8, 2018

freeways, buses, schools, parks, refuse storage or landfill processing, agricultural operations, business, odor, recreational facilities, restaurants, entertainment complexes or facilities, parades, sporting events, fairs, neighborhood parties, litter, construction, air conditioning equipment, air compressors, generators, pool equipment or appliances, underground gas pipelines, cell phone towers, high voltage transmission lines, or wildlife

☐ Yes ☐ No

Explanation: \_\_\_\_\_

**L. GOVERNMENTAL:**

**ARE YOU (SELLER) AWARE OF...**

1. Ongoing or contemplated eminent domain, condemnation, annexation or change in zoning or general plan that applies to or could affect the Property ☐ Yes ☐ No
2. Existence or pendency of any rent control, occupancy restrictions, improvement restrictions or retrofit requirements that apply to or could affect the Property. ☐ Yes ☐ No
3. Existing or contemplated building or use moratoria that apply to or could affect the Property ☐ Yes ☐ No
4. Current or proposed bonds, assessments, or fees that do not appear on the Property tax bill that apply to or could affect the Property ☐ Yes ☐ No
5. Proposed construction, reconfiguration, or closure of nearby Government facilities or amenities such as schools, parks, roadways and traffic signals ☐ Yes ☐ No
6. Existing or proposed Government requirements affecting the Property (i) that tall grass, brush or other vegetation be cleared; (ii) that restrict tree (or other landscaping) planting, removal or cutting or (iii) that flammable materials be removed ☐ Yes ☐ No
7. Any protected habitat for plants, trees, animals or insects that apply to or could affect the Property ☐ Yes ☐ No
8. Whether the Property is historically designated or falls within an existing or proposed Historic District ☐ Yes ☐ No
9. Any water surcharges or penalties being imposed by a public or private water supplier, agency or utility; or restrictions or prohibitions on wells or other ground water supplies ☐ Yes ☐ No

Explanation: \_\_\_\_\_

**M. OTHER:**

**ARE YOU (SELLER) AWARE OF...**

1. Reports, inspections, disclosures, warranties, maintenance recommendations, estimates, studies, surveys or other documents, pertaining to (i) the condition or repair of the Property or any improvement on this Property in the past, now or proposed; or (ii) easements, encroachments or boundary disputes affecting the Property whether oral or in writing and whether or not provided to the Seller. ☐ Yes ☐ No
- (If yes, provide any such documents in your possession to Buyer.)
2. Any occupant of the Property smoking on or in the Property. ☐ Yes ☐ No
3. Any past or present known material facts or other significant items affecting the value or desirability of the Property not otherwise disclosed to Buyer ☐ Yes ☐ No

Explanation: \_\_\_\_\_

VI. ☐ (IF CHECKED) ADDITIONAL COMMENTS: The attached addendum contains an explanation or additional comments in response to specific questions answered "yes" above. Refer to line and question number in explanation.

Seller represents that Seller has provided the answers and, if any, explanations and comments on this form and any attached addenda and that such information is true and correct to the best of Seller's knowledge as of the date signed by Seller. Seller acknowledges (i) Seller's obligation to disclose information requested by this form is independent from any duty of disclosure that a real estate licensee may have in this transaction; and (ii) nothing that any such real estate licensee does or says to Seller relieves Seller from his/her own duty of disclosure.

Seller *Karl R. Sauter* *Douglas Woodward* Date *11/19/18*  
Seller \_\_\_\_\_ Date \_\_\_\_\_

By signing below, Buyer acknowledges that Buyer has read, understands and has received a copy of this Seller Property Questionnaire form.

Buyer *Robert Dickinson* Date \_\_\_\_\_  
Buyer *Michael Marler* Date \_\_\_\_\_

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SELLER PROPERTY QUESTIONNAIRE (SPQ PAGE 4 OF 4)

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225 Birchwood

**SUBJECT TO  
COUNTER OFFER**

**Exhibit 4**



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CALIFORNIA  
ASSOCIATION  
OF REALTORS®

REAL ESTATE TRANSFER DISCLOSURE STATEMENT  
(CALIFORNIA CIVIL CODE §1102, ET SEQ.)  
(C.A.R. Form TDS, Revised 4/14)

THIS DISCLOSURE STATEMENT CONCERNS THE REAL PROPERTY SITUATED IN THE CITY OF  
Lake Arrowhead, COUNTY OF San Bernardino, STATE OF CALIFORNIA,  
DESCRIBED AS 225 Birchwood Drive, Lake Arrowhead, CA 92352

THIS STATEMENT IS A DISCLOSURE OF THE CONDITION OF THE ABOVE DESCRIBED PROPERTY IN  
COMPLIANCE WITH SECTION 1102 OF THE CIVIL CODE AS OF (date) November 8, 2018. IT IS NOT A  
WARRANTY OF ANY KIND BY THE SELLER(S) OR ANY AGENT(S) REPRESENTING ANY PRINCIPAL(S) IN THIS  
TRANSACTION, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY  
WISH TO OBTAIN.

I. COORDINATION WITH OTHER DISCLOSURE FORMS

This Real Estate Transfer Disclosure Statement is made pursuant to Section 1102 of the Civil Code. Other statutes require disclosures,  
depending upon the details of the particular real estate transaction (for example: special study zone and purchase-money liens on  
residential property).

**Substituted Disclosures:** The following disclosures and other disclosures required by law, including the Natural Hazard Disclosure  
Report/Statement that may include airport annoyances, earthquake, fire, flood, or special assessment information, have or will be made  
in connection with this real estate transfer, and are intended to satisfy the disclosure obligations on this form, where the subject matter  
is the same:

- ☐ Inspection reports completed pursuant to the contract of sale or receipt for deposit.  
☐ Additional inspection reports or disclosures: \_\_\_\_\_

II. SELLER'S INFORMATION

The Seller discloses the following information with the knowledge that even though this is not a warranty, prospective  
Buyers may rely on this information in deciding whether and on what terms to purchase the subject property. Seller  
hereby authorizes any agent(s) representing any principal(s) in this transaction to provide a copy of this statement to any  
person or entity in connection with any actual or anticipated sale of the property.

**THE FOLLOWING ARE REPRESENTATIONS MADE BY THE SELLER(S) AND ARE NOT THE REPRESENTATIONS  
OF THE AGENT(S), IF ANY. THIS INFORMATION IS A DISCLOSURE AND IS NOT INTENDED TO BE PART OF ANY  
CONTRACT BETWEEN THE BUYER AND SELLER.**

Seller ☐ is ☐ is not occupying the property.

A. The subject property has the items checked below: \*

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> Range                     | <input type="checkbox"/> Wall/Window Air Conditioning                   | <input type="checkbox"/> Pool:  |
| <input type="checkbox"/> Oven                      | <input type="checkbox"/> Sprinklers                                     | <input type="checkbox"/> Child Resistant Barrier  |
| <input type="checkbox"/> Microwave                 | <input type="checkbox"/> Public Sewer System                            | <input type="checkbox"/> Pool/Spa Heater:   |
| <input type="checkbox"/> Dishwasher                | <input type="checkbox"/> Septic Tank                                    | <input type="checkbox"/> Gas <input type="checkbox"/> Solar <input type="checkbox"/> Electric |
| <input type="checkbox"/> Trash Compactor           | <input type="checkbox"/> Sump Pump                                      | <input type="checkbox"/> Water Heater:  |
| <input type="checkbox"/> Garbage Disposal          | <input type="checkbox"/> Water Softener                                 | <input type="checkbox"/> Gas <input type="checkbox"/> Solar <input type="checkbox"/> Electric |
| <input type="checkbox"/> Washer/Dryer Hookups      | <input type="checkbox"/> Patio/Decking                                  | <input type="checkbox"/> Water Supply:  |
| <input type="checkbox"/> Rain Gutters              | <input type="checkbox"/> Built-in Barbecue                              | <input type="checkbox"/> City <input type="checkbox"/> Well                                   |
| <input type="checkbox"/> Burglar Alarms            | <input type="checkbox"/> Gazebo   | <input type="checkbox"/> Private Utility or   |
| <input type="checkbox"/> Carbon Monoxide Device(s) | <input type="checkbox"/> Security Gate(s)                               | Other _____   |
| <input type="checkbox"/> Smoke Detector(s)         | <input type="checkbox"/> Garage:  | <input type="checkbox"/> Gas Supply:  |
| <input type="checkbox"/> Fire Alarm                | <input type="checkbox"/> Attached <input type="checkbox"/> Not Attached | <input type="checkbox"/> Utility <input type="checkbox"/> Bottled (Tank)                      |
| <input type="checkbox"/> TV Antenna                | <input type="checkbox"/> Carport  | <input type="checkbox"/> Window Screens   |
| <input type="checkbox"/> Satellite Dish            | <input type="checkbox"/> Automatic Garage Door Opener(s)                | <input type="checkbox"/> Window Security Bars   |
| <input type="checkbox"/> Intercom                  | <input type="checkbox"/> Number Remote Controls _____                   | <input type="checkbox"/> Quick Release Mechanism on   |
| <input type="checkbox"/> Central Heating           | <input type="checkbox"/> Sauna  | Bedroom Windows   |
| <input type="checkbox"/> Central Air Conditioning  | <input type="checkbox"/> Hot Tub/Spa:                                   | <input type="checkbox"/> Water-Conserving Plumbing Fixtures                                   |
| <input type="checkbox"/> Evaporator Cooler(s)      | <input type="checkbox"/> Locking Safety Cover                           |   |
| Exhaust Fan(s) in _____                            | 220 Volt Wiring in _____  | Fireplace(s) in _____   |
| <input type="checkbox"/> Gas Starter _____         | <input type="checkbox"/> Roof(s): Type: _____                           | Age: _____ (approx.)  |
| <input type="checkbox"/> Other: _____              |   |   |

Are there, to the best of your (Seller's) knowledge, any of the above that are not in operating condition? ☐ Yes ☐ No (If yes, then describe. (Attach  
additional sheets if necessary): \_\_\_\_\_

(\*see note on page 2)

Buyer's Initials (\_\_\_\_\_) (\_\_\_\_\_)

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**SUBJECT TO  
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Seller's Initials (\_\_\_\_\_) (\_\_\_\_\_)



REAL ESTATE TRANSFER DISCLOSURE STATEMENT (TDS PAGE 1 OF 3)

Mtn Country Realty, Inc., PO Box 420 Lake Arrowhead CA 92352-0420  
Keith Binkley

Phone: 310-413-8589 Fax: 909-337-2618  
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225 Birchwood

Exhibit 4



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Property Address: 225 Birchwood Drive, Lake Arrowhead, CA 92352

Date: November 8, 2018

B. Are you (Seller) aware of any significant defects/malfunctions in any of the following? ☐ Yes ☐ No. If yes, check appropriate space(s) below.

- ☐ Interior Walls ☐ Ceilings ☐ Floors ☐ Exterior Walls ☐ Insulation ☐ Roof(s) ☐ Windows ☐ Doors ☐ Foundation ☐ Slab(s)  
☐ Driveways ☐ Sidewalks ☐ Walls/Fences ☐ Electrical Systems ☐ Plumbing/Sewers/Septics ☐ Other Structural Components

(Describe: \_\_\_\_\_)

If any of the above is checked, explain. (Attach additional sheets if necessary.): \_\_\_\_\_

\*Installation of a listed appliance, device, or amenity is not a precondition of sale or transfer of the dwelling. The carbon monoxide device, garage door opener, or child-resistant pool barrier may not be in compliance with the safety standards relating to, respectively, carbon monoxide device standards of Chapter 8 (commencing with Section 13260) of Part 2 of Division 12 of, automatic reversing device standards of Chapter 12.5 (commencing with Section 19890) of Part 3 of Division 13 of, or the pool safety standards of Article 2.5 (commencing with Section 115920) of Chapter 5 of Part 10 of Division 104 of, the Health and Safety Code. Window security bars may not have quick-release mechanisms in compliance with the 1995 edition of the California Building Standards Code. Section 1101.4 of the Civil Code requires all single-family residences built on or before January 1, 1994, to be equipped with water-conserving plumbing fixtures after January 1, 2017. Additionally, on and after January 1, 2014, a single-family residence built on or before January 1, 1994, that is altered or improved is required to be equipped with water-conserving plumbing fixtures as a condition of final approval. Fixtures in this dwelling may not comply with section 1101.4 of the Civil Code.

C. Are you (Seller) aware of any the following:

1. Substances, materials, or products which may be an environmental hazard such as, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, mold, fuel or chemical storage tanks, and contaminated soil or water on the subject property . . . . . ☐ Yes ☐ No
2. Features of the property shared in common with adjoining landowners, such as walls, fences, and driveways, whose use or responsibility for maintenance may have an effect on the subject property . . . . . ☐ Yes ☐ No
3. Any encroachments, easements or similar matters that may affect your interest in the subject property . . . . . ☐ Yes ☐ No
4. Room additions, structural modifications, or other alterations or repairs made without necessary permits. . . . . ☐ Yes ☐ No
5. Room additions, structural modifications, or other alterations or repairs not in compliance with building codes . . ☐ Yes ☐ No
6. Fill (compacted or otherwise) on the property or any portion thereof . . . . . ☐ Yes ☐ No
7. Any settling from any cause, or slippage, sliding, or other soil problems . . . . . ☐ Yes ☐ No
8. Flooding, drainage or grading problems . . . . . ☐ Yes ☐ No
9. Major damage to the property or any of the structures from fire, earthquake, floods, or landslides . . . . . ☐ Yes ☐ No
10. Any zoning violations, nonconforming uses, violations of "setback" requirements . . . . . ☐ Yes ☐ No
11. Neighborhood noise problems or other nuisances . . . . . ☐ Yes ☐ No
12. CC&R's or other deed restrictions or obligations . . . . . ☐ Yes ☐ No
13. Homeowners' Association which has any authority over the subject property . . . . . ☐ Yes ☐ No
14. Any "common area" (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others) . . . . . ☐ Yes ☐ No
15. Any notices of abatement or citations against the property . . . . . ☐ Yes ☐ No
16. Any lawsuits by or against the Seller threatening to or affecting this real property, claims for damages by the Seller pursuant to Section 910 or 914 threatening to or affecting this real property, claims for breach of warranty pursuant to Section 900 threatening to or affecting this real property, or claims for breach of an enhanced protection agreement pursuant to Section 903 threatening to or affecting this real property, including any lawsuits or claims for damages pursuant to Section 910 or 914 alleging a defect or deficiency in this real property or "common areas" (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others) . . . . . ☐ Yes ☐ No

If the answer to any of these is yes, explain. (Attach additional sheets if necessary.): \_\_\_\_\_

- D. 1. The Seller certifies that the property, as of the close of escrow, will be in compliance with Section 13260 of the Health and Safety Code by having operable smoke detector(s) which are approved, listed, and in compliance with the State Fire Marshal's regulations and applicable local standards.
2. The Seller certifies that the property, as of the close of escrow, will be in compliance with Section 13210 of the Health and Safety Code by having the water heater tank(s) braced, anchored, or strapped in place in accordance with applicable law.

Buyer's Initials ( ) ( )

☒ Seller's Initials ( ) ( )

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REAL ESTATE TRANSFER DISCLOSURE STATEMENT (TDS PAGE 2 OF 3)

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225 Birchwood



Exhibit 4



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Property Address: 225 Birchwood Drive, Lake Arrowhead, CA 92352

Date: November 8, 2018

Seller certifies that the information herein is true and correct to the best of the Seller's knowledge as of the date signed by the Seller.

Seller

Date

Seller

Date

### III. AGENT'S INSPECTION DISCLOSURE

(To be completed only if the Seller is represented by an agent in this transaction.)

THE UNDERSIGNED, BASED ON THE ABOVE INQUIRY OF THE SELLER(S) AS TO THE CONDITION OF THE PROPERTY AND BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE ACCESSIBLE AREAS OF THE PROPERTY IN CONJUNCTION WITH THAT INQUIRY, STATES THE FOLLOWING:

- ☐ See attached Agent Visual Inspection Disclosure (AVID Form)  
☐ Agent notes no items for disclosure.  
☐ Agent notes the following items: \_\_\_\_\_

Agent (Broker Representing Seller) Barnett Real Estate  
(Please Print)

By \_\_\_\_\_ Date \_\_\_\_\_  
(Associate Licensee or Broker Signature)  
Jody Barnett

### IV. AGENT'S INSPECTION DISCLOSURE

(To be completed only if the agent who has obtained the offer is other than the agent above.)

THE UNDERSIGNED, BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE ACCESSIBLE AREAS OF THE PROPERTY, STATES THE FOLLOWING:

- ☐ See attached Agent Visual Inspection Disclosure (AVID Form)  
☐ Agent notes no items for disclosure.  
☐ Agent notes the following items: \_\_\_\_\_

Agent (Broker Obtaining the Offer) Mountain Country Realty, Inc.  
(Please Print)

By \_\_\_\_\_ Date \_\_\_\_\_  
(Associate Licensee or Broker Signature)  
Keith Binkley

V. BUYER(S) AND SELLER(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE AND/OR INSPECTIONS OF THE PROPERTY AND TO PROVIDE FOR APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN BUYER AND SELLER(S) WITH RESPECT TO ANY ADVICE/INSPECTIONS/DEFECTS.

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS STATEMENT.

Seller \_\_\_\_\_ Date \_\_\_\_\_ Buyer \_\_\_\_\_ Date \_\_\_\_\_  
Douglas Woodward \_\_\_\_\_ Robert Dickinson \_\_\_\_\_  
Seller \_\_\_\_\_ Date \_\_\_\_\_ Buyer \_\_\_\_\_ Date \_\_\_\_\_  
\_\_\_\_\_ Michael Marler \_\_\_\_\_

Agent (Broker Representing Seller) Barnett Real Estate  
(Please Print)

By \_\_\_\_\_ Date \_\_\_\_\_  
(Associate Licensee or Broker Signature)  
Jody Barnett

Agent (Broker Obtaining the Offer) Mountain Country Realty, Inc.  
(Please Print)

By \_\_\_\_\_ Date \_\_\_\_\_  
(Associate Licensee or Broker Signature)  
Keith Binkley

SECTION 1102.3 OF THE CIVIL CODE PROVIDES A BUYER WITH THE RIGHT TO RESCIND A PURCHASE CONTRACT FOR AT LEAST THREE DAYS AFTER THE DELIVERY OF THIS DISCLOSURE IF DELIVERY OCCURS AFTER THE SIGNING OF AN OFFER TO PURCHASE. IF YOU WISH TO RESCIND THE CONTRACT, YOU MUST ACT WITHIN THE PRESCRIBED PERIOD.

A REAL ESTATE BROKER IS QUALIFIED TO ADVISE ON REAL ESTATE. IF YOU DESIRE LEGAL ADVICE, CONSULT YOUR ATTORNEY.

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525 South Virgil Avenue, Los Angeles, California 90020

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225 Birchwood

**SUBJECT TO  
COUNTER OFFER**

EQUAL HOUSING  
OPPORTUNITY

**Exhibit 4**